

# Clear Creek, LLC

1431 N. 1200 W., Orem, UT 84058 • (801) 225-0600 • FAX (801) 225-0666

September 1, 2001

Mr. Dustin Doucette, Petroleum Engineer  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114

RE: Application for Permit to Drill - Cook 17-2, NE/SE, Section 17, T13S, R7E, SLB&M,  
Carbon County, Utah

Dear Dustin:

Please find attached the original and two copies of *Form 3 - Application for Permit to Drill* (APD) for the above named well. Included with the APD is the following supporting documentation:

- Exhibit "A" - Location map;
- Exhibit "B" - Survey plat;
- Exhibit "C" - Drilling site plan with cross-sections;
- Exhibit "D" - Drilling program;
- Exhibit "E" - BOPE schematic; and
- Exhibit "F" - Evidence of bond.

A water use agreement is currently being negotiated with one of the coal mines near Scofield and has tentatively been approved by Mark Page of the Division of Water Rights. The agreement has been delayed because of vacation schedules of various key mine personnel, but will be completed and submitted to your office as soon as possible.

Negotiations for a surface land use agreement are ongoing with the land owner. An affidavit regarding the agreement will be submitted to your office upon its completion.

Please accept this letter as Clear Creek, LLC's written request for confidential treatment of all information contained in and pertaining to this permit application and any subsequent submissions, if said information is eligible for such consideration. This request is made in accordance with the State of Utah's Oil and Gas Conservation General Rules item number R649-2-11.

Thank you very much for your timely consideration of this application. Please feel free to contact me if you have any questions.

Best regards,



Steven L. Prince  
Petroleum Engineer

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

001

**APPLICATION FOR PERMIT TO DRILL**

1A. TYPE OF WORK:    DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				5. LEASE DESIGNATION AND SERIAL NUMBER: FEE	
B. TYPE OF WELL:    OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____    SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: Clear Creek, LLC				7. UNIT or CA AGREEMENT NAME:	
3. ADDRESS OF OPERATOR: 1431 N. 1200 W.    CITY Orem    STATE UT    ZIP 84058			PHONE NUMBER: (801) 225-0600		8. WELL NAME and NUMBER: Cook 17-2
4. LOCATION OF WELL (FOOTAGES)  AT SURFACE: 1886' FSL, 830' FEL  AT PROPOSED PRODUCING ZONE:				9. FIELD AND POOL, OR WILDCAT: Clear Creek	
10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 13S 7E S				11. COUNTY: Carbon	
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 2.88 Miles South of Scofield					
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 490'		15. NUMBER OF ACRES IN LEASE: 40		16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NA		18. PROPOSED DEPTH: 4,900		19. BOND DESCRIPTION:	
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 8174' GR		21. APPROXIMATE DATE WORK WILL START: 10/15/2001		22. ESTIMATED DURATION: 2 weeks	

**PROPOSED CASING AND CEMENTING PROGRAM**

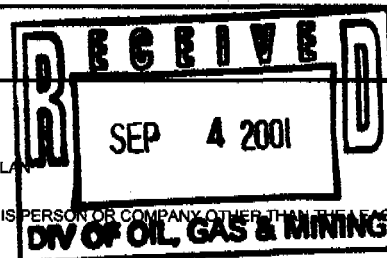
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
17.5"	13.375" Conducto	30	
12.25"	8.625" J-55    24.0	490	Class G + 2% CaCl +    166 sx    1.17 cf/sk    15.8 ppg
7.875"	5.5 J-55    15.5	4,900	50/50 Pozmix + 8% ge    409 sx    2.07 cf/sk    12.2 ppg
			Class G thixotropic    75 sx    1.51 cf/sk    14.0 ppg

**24. ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- ☒ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- ☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- ☒ COMPLETE DRILLING PLAN
- ☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER



NAME (PLEASE PRINT) Steven L. Prince    TITLE Petroleum Engineer

SIGNATURE Steven L. Prince    DATE 9/1/2001

(This space for State use only)

API NUMBER ASSIGNED: 43-007-30809

APPROVAL:

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: 09-11-02  
By: [Signature]



**Talon Resources, Inc.**  
375 South Carbon Avenue, Suite 101  
Price, Utah 84501  
Ph: 435-637-8781  
Fax: 435-636-8603

**COOK PROPERTIES L.L.C.**

**WELL #17-2**

Section 17, T13S, R7E, S.L.B.&amp;M.

**Carbon County, Utah**

Drawn By  
M. MOON

Checked By:  
L.W.J.

Drawing No.

Date: 08/29/01

*L-1*

Scale:  
1" = 2000'

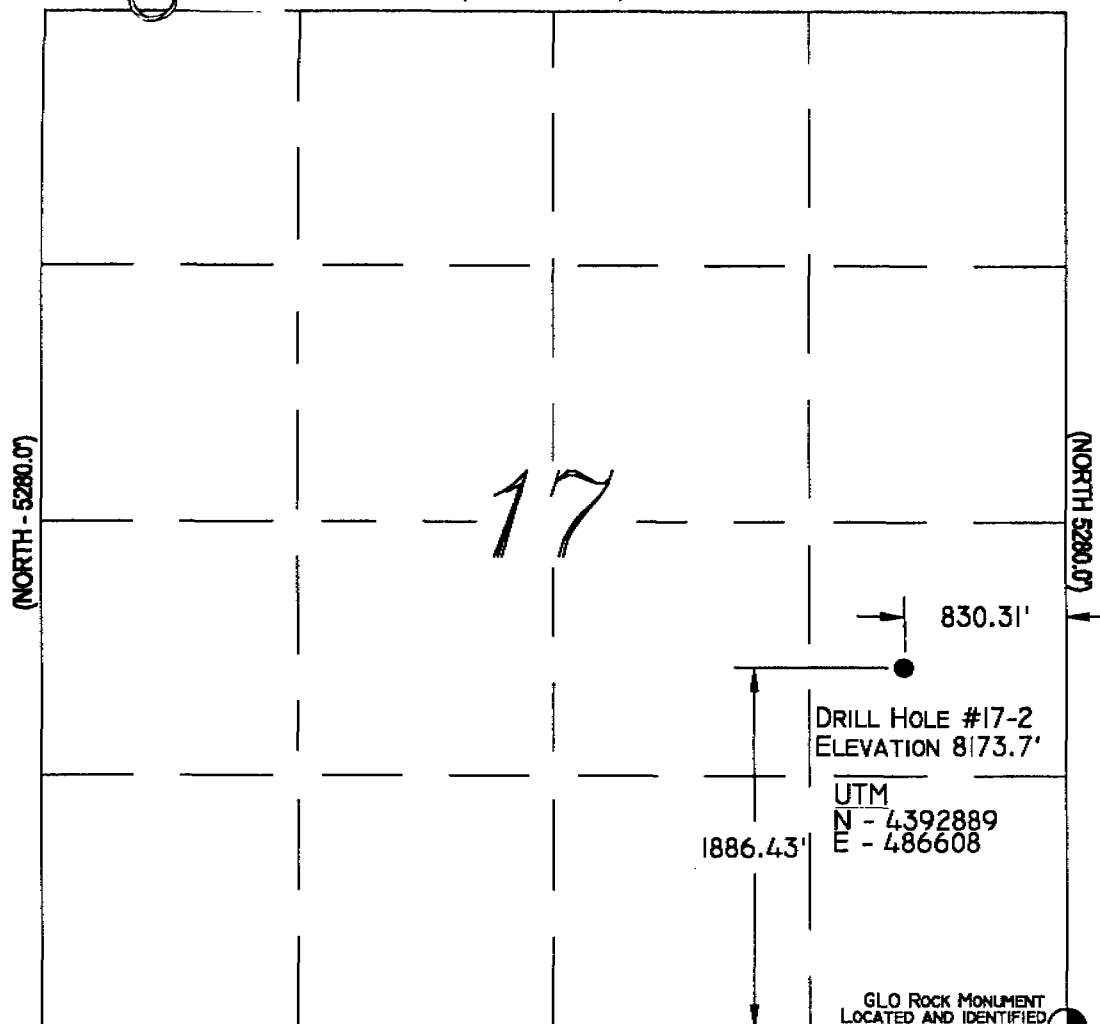
Page 4 of 4

Job No.  
434

Township 13 South

# Range 7 East

(EAST - 5248.34')



(EAST - 5251.62')

## Legend

- Drill Hole Location
- ⊕ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Rock Pile
- ( ) GLO

GPS Measured

## NOTES:

1. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG  
39°41'15"N  
111°09'22"W

## Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

## Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

## GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

## Basis of Elevation:

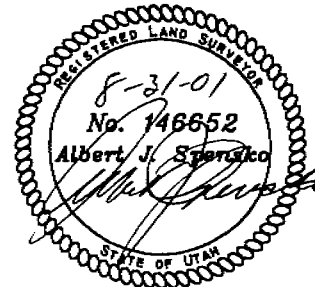
BASIS OF ELEVATION OF 9844.0' BEING A USGS BENCHMARK IN THE SE 1/4 OF SECTION 36, TOWNSHIP 13 SOUTH, RANGE 6 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE SCOFIELD QUADRANGLE 7.5 MINUTE SERIES MAP.

## Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE NE 1/4, SE 1/4 OF SECTION 17, T13S, R7E, S.L.B.&M., BEING 1886.43' NORTH AND 830.31' WEST FROM THE SOUTHEAST CORNER OF SECTION 17, T13S, R7E, SALT LAKE BASE & MERIDIAN.

## Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



**Talon Resources, Inc.**  
375 South Carbon Avenue, Suite 101  
Price, Utah 84301  
Ph: 435-637-8781  
Fax: 435-636-8603

**COOK PROPERTIES L.L.C.**

**WELL #17-2**

Section 17, T13S, R7E, S.L.B.&M.  
Emery County, Utah

Drawn By:  
M. MOON

Checked By:  
L.W.J./A.J.S.

Drawing No.

A-1

Date:

08/29/01

Scale:

1" = 1000'

Job No.  
434

Sheet 1 of 4

**GRAPHIC SCALE**

0 500' 1000'

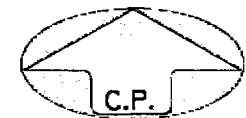
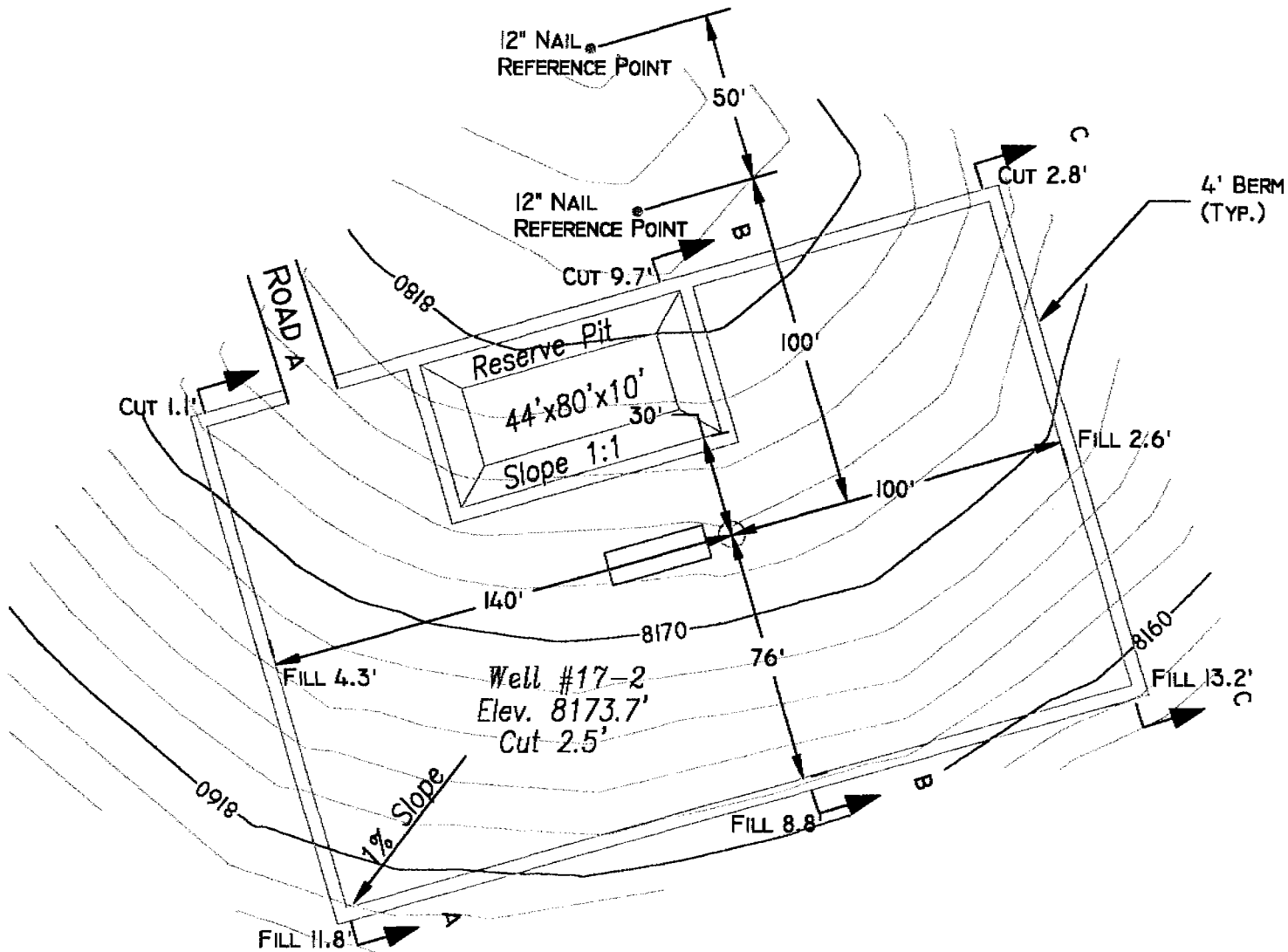
( IN FEET )

1 inch = 1000 ft.

EXHIBIT "B"

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 8173.7'

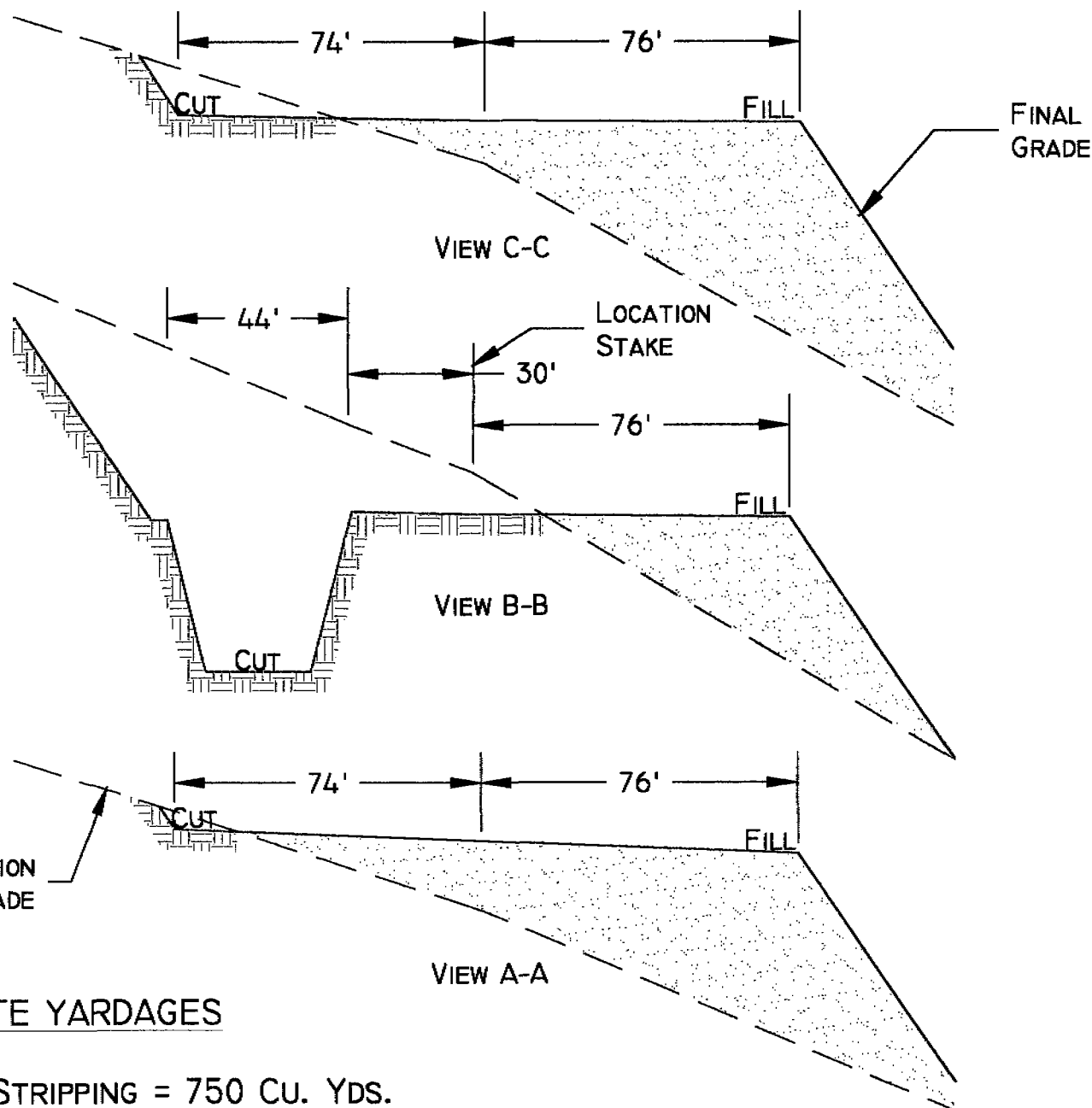
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 8171.2



**Talon Resources, Inc.**  
375 South Carbon Avenue, Suite 101  
Price, Utah 84501  
Ph: 435-637-8781  
Fax: 435-636-8603

**COOK PROPERTIES L.L.C.**  
**LOCATION LAYOUT**  
Section 17, T13S, R7E, S.L.B.&M.  
**WELL #17-2**

Drawn By: <b>M. MOON</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>A-2</b>	Date: <b>08/29/01</b>
	Scale: <b>1" = 50'</b>
Sheet <b>2</b> of <b>4</b>	Job No. <b>434</b>



1"=10'  
X-Section  
Scale  
1"=40'

SLOPE = 1 1/2 : 1  
(EXCEPT PIT)  
PIT SLOPE = 1 : 1



**Talon Resources, Inc.**  
375 South Carbon Avenue, Suite 101  
Preston, Utah 84501  
Ph: 435-637-8781  
Fax: 435-636-8803

**COOK PROPERTIES L.L.C.**  
**TYPICAL CROSS SECTION**  
Section 17, T13S, R7E, S.L.B.&M.  
WELL #17-2

Drawn By: M. MOON	Checked By: L.W.J.
Drawing No. C-1	Date: 08/29/01
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 434

## APPROXIMATE YARDAGES

### CUT

(6") TOPSOIL STRIPPING = 750 CU. YDS.

REMAINING LOCATION = 3,755.0 CU. YDS.

TOTAL CUT = 4,405.0 CU. YDS.

TOTAL FILL = 4,272.4 CU. YDS.

## EXHIBIT "D" - DRILLING PROGRAM

Attached to UDOGM Form 3  
Clear Creek, LLC  
Cook 17-2  
NE/4 SE/4, Section 17, T13S, R7E, SLB&M  
1886' FSL & 830' FEL  
Carbon County, Utah

1. Geologic Surface Formation

Upper Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate      2255'  
Ferron          4145'

3. Projected Gas & Water zones (Ferron Formation)

Coals and sandstones - 4145'-4545'

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 1080 psi.

4. Casing Program

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	GRADE & WEIGHT	NEW/ USED
17-1/2"	30'	13-3/8"	Conductor	New
12-1/4"	490'	8-5/8"	J55, 24#	New
7-7/8"	4,900'	5-1/2"	J55, 15.5#	New

5. Cementing Program

Surface Casing:      166 sx G + 2% CaCl + 1/4 lb. per sack Flocele®  
Cement will be circulated to surface.

Production Casing:      409 sx 50/50 poz + 8% gel + 2% CaCl + 10% extender, followed  
by 75 sx Class "G" thixotropic.

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string; and
- 7) Casing pressure tests after cementing, including test pressures and results.

6. The Operator's Minimum Specifications for Pressure Control

A schematic diagram of the blowout preventer equipment (BOPE) is presented as Exhibit "E". A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 3000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOPE will be checked on each trip.

7. Type and Characteristics of the Proposed Circulating Muds

0'-490'      12-1/4 " hole    Drill with air, will mud-up with EZ Mud if necessary.

490'-TD'    7-7/8" hole      Drill with air. 400 psi @ 1500-1800 scf. Will mud-up with EZ Mud if necessary.

8. Testing, Logging and Coring Programs are as follows

490'-TD      Gamma Ray, Density, Neutron Porosity, Induction, Caliper

9. Abnormal Conditions

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure is expected to be no greater than 1470 psi. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.



Exhibit "D" - Drilling Program

10. Anticipated Starting Date and Duration of Operations.

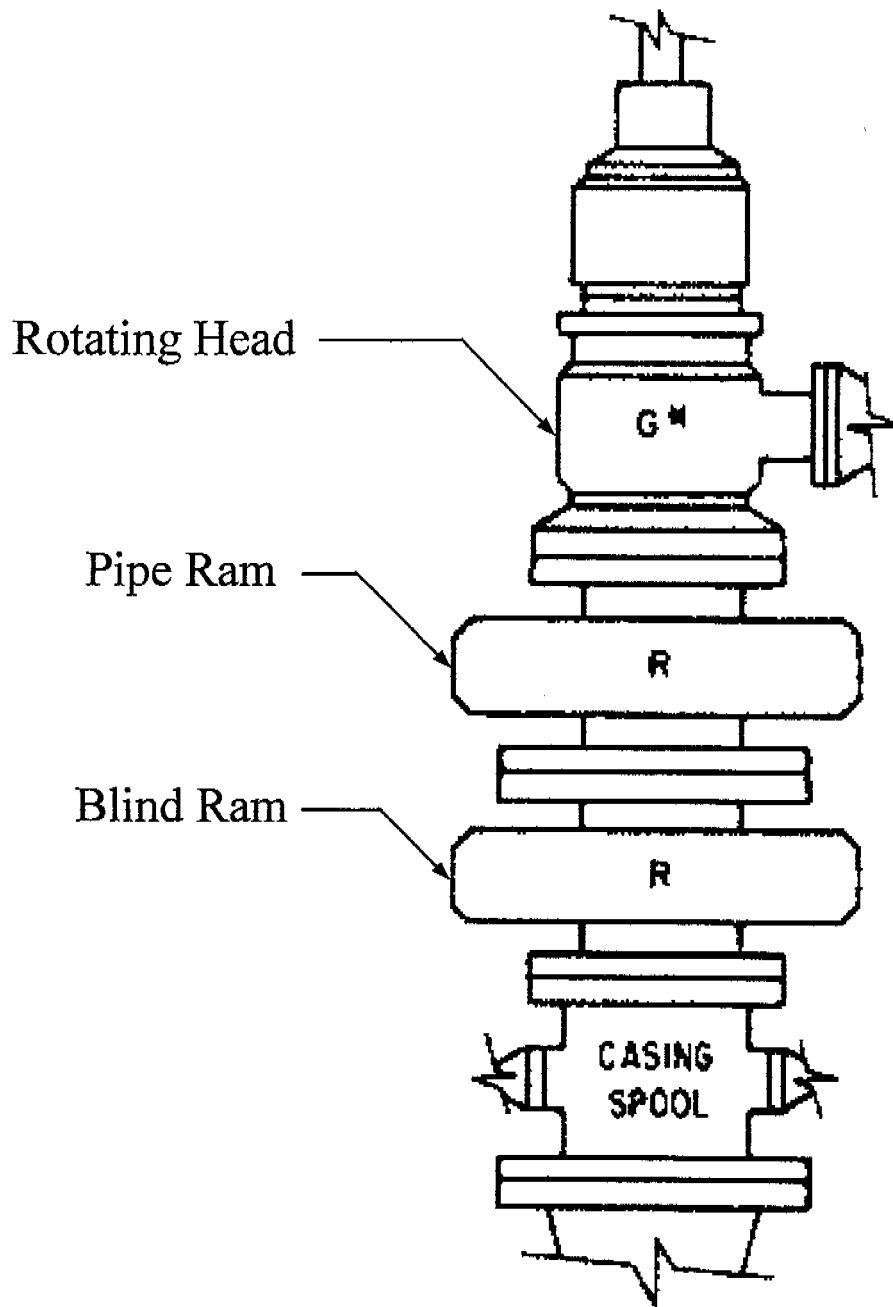
The well will be drilled commencing on October 15, 2001 or as soon thereafter as practicable.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) Prior to beginning construction;
- (b) Prior to spudding;
- (c) Prior to running any casing or BOP tests; and
- (d) Prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

Exhibit "E"



Typical 3000 psi BOP Equipment

Clear Creek, LLC

002

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/04/2001

API NO. ASSIGNED: 43-007-30809

WELL NAME: COOK 17-2

OPERATOR: CLEAR CREEK LLC ( N1920 )

CONTACT: STEVEN PRINCE

PHONE NUMBER: 801-225-0600

PROPOSED LOCATION:

NESE 17 130S 070E

SURFACE: 1886 FSL 0830 FEL

BOTTOM: 1886 FSL 0830 FEL

CARBON

UNDESIGNATED ( 2 )

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	OKD	11/30/01
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[] Ind[] Sta[] Fee[4]

(No. 0201 )

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit

(No. T26232 )

☒ RDCC Review (Y/N)

(Date: )

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

☐ R649-2-3. Unit

☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

☐ R649-3-3. Exception

☐ Drilling Unit

Board Cause No:

Eff Date:

Siting:

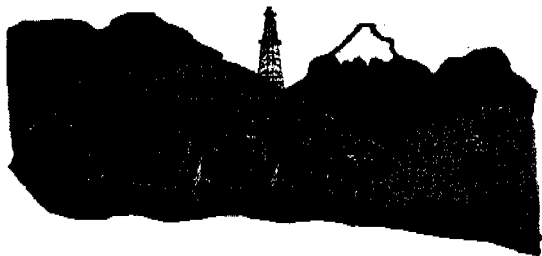
☐ R649-3-11. Directional Drill

COMMENTS:

Need Permit. (9-26-01)

STIPULATIONS:

1- Statement of basis.  
2- Surface Cement Stop



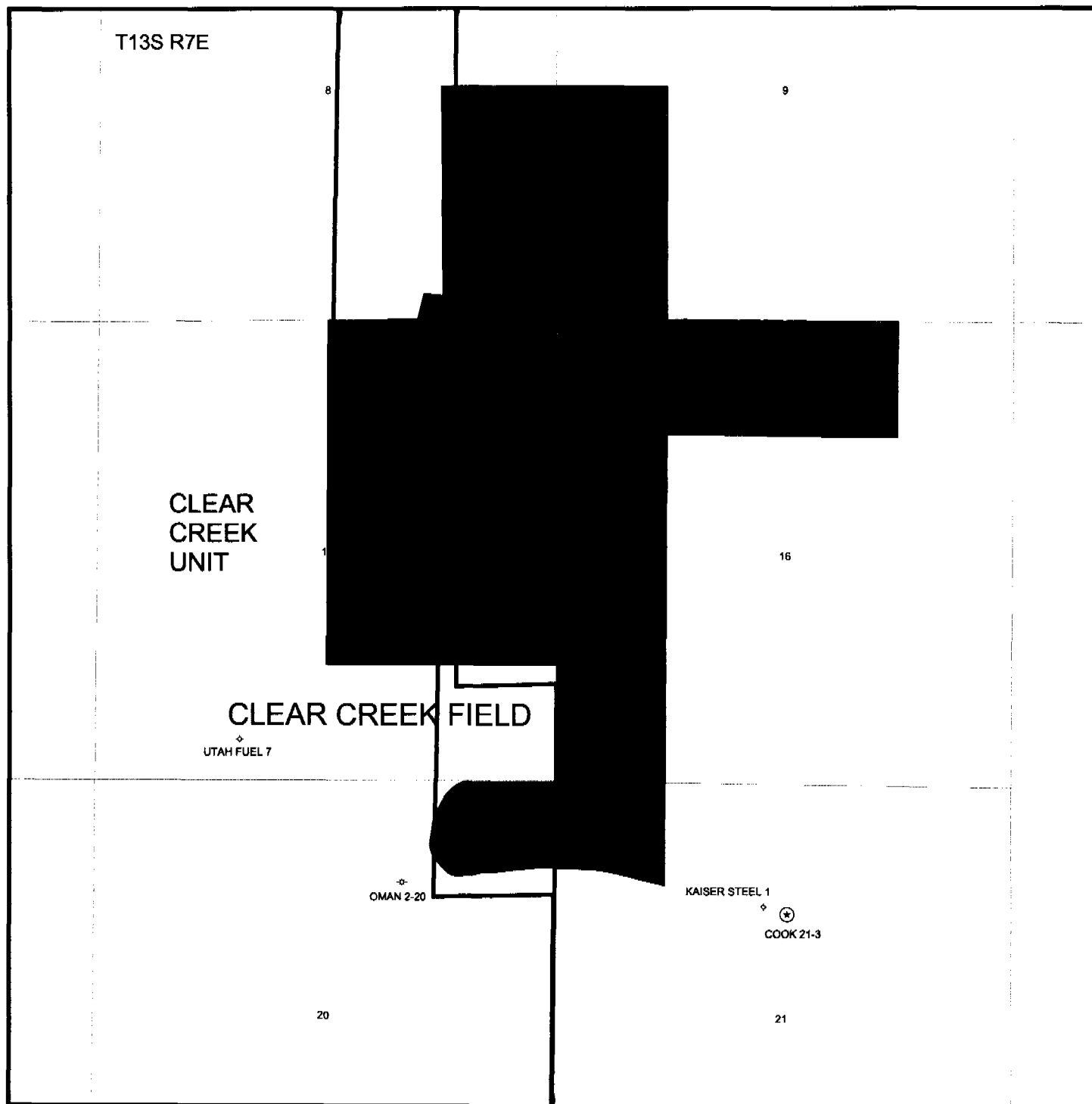
Utah Oil Gas and Mining

OPERATOR: CLEAR CREEK LLC (N1920)

SEC. 17, T13S, R7E

FIELD: UNDESIGNATED (002)

COUNTY: CARBON SPACING: R649-3-2/GEN ST



**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

**OPERATOR:** Clear Creek, LLC  
**WELL NAME & NUMBER:** Cook 17-2  
**API NUMBER:** 43-007-30809  
**LEASE:** Fee **FIELD/UNIT:** Clear Creek  
**LOCATION:** 1/4, 1/4 NESE **Sec:** 17 **TWP:** 13S **RNG:** 7E 1886 FSL 830 FEL  
**LEGAL WELL SITING:** 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.  
**GPS COORD (UTM):** X =486,608 E; Y ,=4,392,889 N **SURFACE OWNER:** George Liidakis

**PARTICIPANTS**

M. Jones (DOGM), S. Prince (Clear Creek), G. Liidakis (surface).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Skyline Mine's train load-out facility is located ~.2 mile SE of proposed location. The location sits on top of a vegetation covered knoll and will place the well-site well out of sight of any traffic on highway below. Predominant vegetation consists of grasses, sagebrush, and quacking aspen trees. Overhead power lines are present and will need to be crossed with the access road.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 240' X 130' pad w/ pit included.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: Two proposed wells, two PA wells, and 1 shut-In well within a 1 mile radius of the above proposed location.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along roadways.

SOURCE OF CONSTRUCTION MATERIAL: Local material and transported in.

ANCILLARY FACILITIES: None.

**WASTE MANAGEMENT PLAN:**

Portable chemical toilet for the duration of the drilling and completion process. A dumpster for disposal of solid refuse. Drill cuttings and fluids will be disposed of in pit. At the conclusion of drilling and completion the pit will be allowed to evaporate after which it will be reclaimed

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: Mud Creek, which flows year round, is located ~805' East of proposed location.

FLORA/FAUNA: Native grasses, pine trees, sagebrush, deer, elk, small game animals, and various fowl.

SOIL TYPE AND CHARACTERISTICS: Silty loamy clay.

EROSION/SEDIMENTATION/STABILITY: Moderately erosive.

PALEONTOLOGICAL POTENTIAL: None Observed.

**RESERVE PIT**

CHARACTERISTICS: Dugout earthen pit, as per APD.

LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner.

**SURFACE RESTORATION/RECLAMATION PLAN**

As per landowners requests in surface use agreement.

SURFACE AGREEMENT: Being negotiated.

CULTURAL RESOURCES/ARCHAEOLOGY: None requested.

**OTHER OBSERVATIONS/COMMENTS**

Overhead power lines located South and West of location. Drilling activities need to be aware of these lines to avoid any possible problems. They should not pose a problem if proposed access to the location remains as proposed. I also asked Steve Prince to submit to me a statement of waste control, which was not submitted with the original APD.

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Mark L. Jones  
DOGM REPRESENTATIVE

Sept. 26, 2001 / 5:00 pm  
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>2</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>10</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**      27      (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

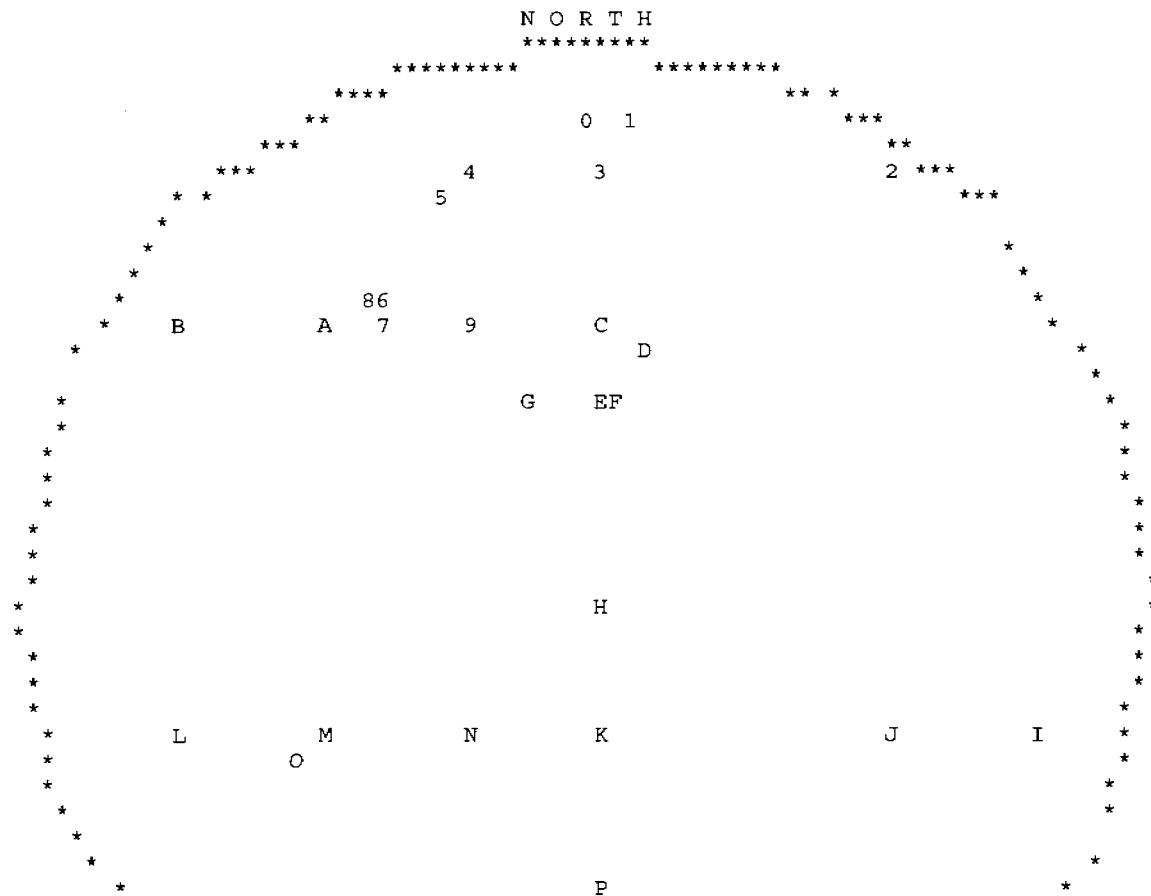
Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

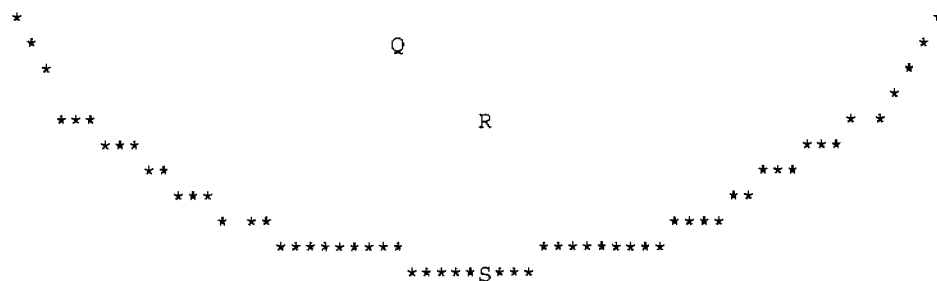
UTAH DIVISION OF WATER RIGHTS  
WATER RIGHT POINT OF DIVERSION PLOT CREATED WED, NOV 28, 2001, 6:20 PM  
PLOT SHOWS LOCATION OF 53 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT  
N 1886 FEET, W 830 FEET OF THE SE CORNER,  
SECTION 17 TOWNSHIP 13S RANGE 7E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET







## UTAH DIVISION OF WATER RIGHTS

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION	or WELL INFO DIAMETER DEPTH YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH EAST CNR SEC TWN RNG B&M	U A P T : N P E E I N P R R I
0	91 4159	1.0000	.00	Old Gibson Mine Tunnel (Utah #	N 1220 W 780	SE 8 13S 7E SL	X
	WATER USE(S): OTHER Kanawha and Hocking Coal and Coke Compan 700 West Gate Tower						PRIORITY DATE: 00/00/1882 Cleveland OH 44116
1	E772	.4460	.00	12	210 N N 1150 W 400	SE 8 13S 7E SL	X
	WATER USE(S): OTHER Valley Camp Coal Company						PRIORITY DATE: 05/15/1974 Castle Gate UT 84514
2	91 4031	.0110	.00	Unnamed Spring			X
	WATER USE(S): STOCKWATERING Telonis, George (C/O Luke Pappas)						PRIORITY DATE: 00/00/1902 Price UT 84501
3	91 437	.0000	.00	Clear Creek			X
	WATER USE(S): Marakis, Nick						PRIORITY DATE: 00/00/1860 UT
3	91 477	.0000	.00	Clear Creek			X
	WATER USE(S): Marakis, John						PRIORITY DATE: 00/00/1860 Price UT 84501
4	91 437	.0000	.00	Clear Creek			X
	WATER USE(S): Marakis, Nick						PRIORITY DATE: 00/00/1860 UT
4	91 477	.0000	.00	Clear Creek			X

WATER USE(S):		165 East 1st South		PRIORITY DATE: 00/00/1860	
Marakis, John				Price UT 84501	
5	91 200	.1340	.00 10	280 1953 Y N	450 E 500 S4 8 13S 7E SL X
WATER USE(S): IRRIGATION DOMESTIC OTHER		50 North Center Street		PRIORITY DATE: 03/22/1954	
Alpine School District				American Fork UT 84003	
5	91 3460	.1340	.00 Underground Water Well	N	450 E 500 S4 8 13S 7E SL X
WATER USE(S): IRRIGATION DOMESTIC OTHER		50 North Center		PRIORITY DATE: 07/15/1953	
Alpine School District Board of Educatio				American Fork UT 84003	
5	a13028	.1340	.00 10	280 N N	450 E 500 S4 8 13S 7E SL X
WATER USE(S): IRRIGATION DOMESTIC OTHER		50 North Center Street		PRIORITY DATE: 11/07/1983	
Board of Education, Alpine School Distri				American Fork UT 84003	
6	E1784	.0000	15.00 Spring	S	530 E 2490 NW 17 13S 7E SL X
WATER USE(S): MUNICIPAL		Kanawha and Hocking Coal and Coke Compan		PRIORITY DATE: 02/06/1981	
Scofield Route				Helper UT 84526	
7	91 345	.7500	.00 Green Canyon Spring Stream	S	650 W 100 N4 17 13S 7E SL X
WATER USE(S): IRRIGATION		1026 East 1st South		PRIORITY DATE: 00/00/1874	
Nicolaides, Tom				Salt Lake City UT	
Nicolaides, Leon				UT	
Stathis, Mary				UT	
Daraban, Bessie				UT	
8	91 4195	.1000	.00 Mud Creek & Green Canyon Sprin	S	546 W 285 N4 17 13S 7E SL X
WATER USE(S): MUNICIPAL		Scofield Town		PRIORITY DATE: 00/00/1874	
				Scofield UT 84538	
9	91 3056	.0000	.00 Unnamed Stream		X
WATER USE(S): STOCKWATERING		1026 East 1st South		PRIORITY DATE: 00/00/1869	
Nicolaides, Tom				Salt Lake City UT 84102	
Stathis, Mary N.				UT	
Daraban, Bessie N.				UT	
Nicolaides, Leon				UT	
9	91 3056	.0000	.00 Unnamed Stream		X
WATER USE(S): STOCKWATERING		1026 East 1st South		PRIORITY DATE: 00/00/1869	
Nicolaides, Tom				Salt Lake City UT 84102	
Stathis, Mary N.				UT	
Daraban, Bessie N.				UT	
Nicolaides, Leon				UT	
A	91 3668	.0150	.00 Unnamed Spring		X
WATER USE(S): STOCKWATERING		Stilson, L. Clan & Beth		PRIORITY DATE: 00/00/1869	
				Orangeville UT	
A	91 2970	.0150	.00 Unnamed Spring		X
WATER USE(S): STOCKWATERING		761 North 3rd East		PRIORITY DATE: 00/00/1860	
Georgedes, Angelo				Price UT 84501	

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H	91 3666	.0000	.00 Clear Creek					X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1869			
		Marakis, Nick					UT		
H	91 3665	.0000	.00 Clear Creek					X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1869			
		Marakis, John (Estate)					UT		
I	91 479	.0000	.00 Unnamed Wash					X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1902			
		Marakis, John (Estate)					UT		
I	91 440	.0000	.00 Unnamed Wash					X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1902			
		Markis, Nick	165 East 1st South			Price	UT 84501		
J	91 441	.0000	.00 Unnamed Stream					X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1902			
		Marakis, Nick	165 East 1st South			Price	UT 84501		
J	91 480	.0000	.00 Unnamed Stream					X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1902			
		Marakis, John	165 East 1st South			Price	UT 84501		
K	91 3040	.0000	.00 Clear Creek					X	:
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869			
		Nicolaides, Tom	1026 East 1st South			Salt Lake City	UT		
		Nicolaides, Leon	1026 East 1st South			Salt Lake City	UT		
		Stathis, Mary	1026 East 1st South			Salt Lake City	UT		
		Daraban, Bessie	1026 East 1st South			Salt Lake City	UT		
K	91 3040	.0000	.00 Clear Creek					X	:
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869			
		Nicolaides, Tom	1026 East 1st South			Salt Lake City	UT		
		Nicolaides, Leon	1026 East 1st South			Salt Lake City	UT		
		Stathis, Mary	1026 East 1st South			Salt Lake City	UT		
		Daraban, Bessie	1026 East 1st South			Salt Lake City	UT		
K	91 3075	.0000	.00 Eccles Canyon Creek					X	:
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869			
		Nicolaides, Tom	1026 East 1st South			Salt Lake City	UT 84102		
		Nicolaides, Leon					UT		
		Stathis, Mary					UT		
		Daraban, Bessie					UT		
L	91 3074	.0000	.00 Eccles Canyon Creek					X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1869			
		Oman, Milton A.	717 Continental Bank Building			Salt Lake City	UT		
M	91 3074	.0000	.00 Eccles Canyon Creek					X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1869			
		Oman, Milton A.	717 Continental Bank Building			Salt Lake City	UT		

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S	91 3045	.0000	.00 Clear Creek			X
		WATER USE(S):			PRIORITY DATE: 00/00/1869	
		Oman, Milton A	717 Continental Bank Building		Salt Lake City	UT 84111

---

**DIVISION OF OIL, GAS AND MINING**  
**APPLICATION FOR PERMIT TO DRILL**  
**STATEMENT OF BASIS**

**OPERATOR:** Clear Creek, LLC  
**WELL NAME & NUMBER:** Cook 17-2  
**API NUMBER:** 43-007-30890  
**LOCATION:** 1/4,1/4 NESE Sec: 17 TWP: 13S RNG: 7E 1886 FSL 830 FEL

**Geology/Ground Water:**

A well drilled at this location will likely spud into a moderately permeable soil developed on the Star Point Sandstone. Ground water is likely to be encountered in the Star Point, Emery, and Ferron Sandstones, all of Cretaceous age. Water quality will deteriorate in the deeper strata. The base of moderately saline ground water is likely to be above sea level and within several thousand feet of the surface. If so, quality water is likely to be encountered in permeable strata in the Mesa Verde Group and the Emery Sandstone. Application has been made for many water rights (including numerous springs, and several water wells and tunnels) within a mile of this location. The location is situated on the west side of the canyon containing Mud Creek (Clear Creek?), near and north of the mouth of Eccles Canyon. Natural drainage is to flow into Eccles Canyon, Mud Creek, Scofield Reservoir and then the Price River. The proposed surface and intermediate casing/cementing program and freshwater gel/air drilling fluid system should be sufficient protect the shallow ground water resource. A sulphur spring has been documented as existing 4 miles to the north (1 mile north of Scofield, Utah), along the same fault (Pleasant Valley system) as found along Mud Creek, which flows near this proposed location. It is not known if this occurrence portends a hydrogen sulfide/ sulphur dioxide hazard, but it is at least worthy of note

**Reviewer:** Christopher J. Kierst **Date:** 11/28/01

**Surface:**

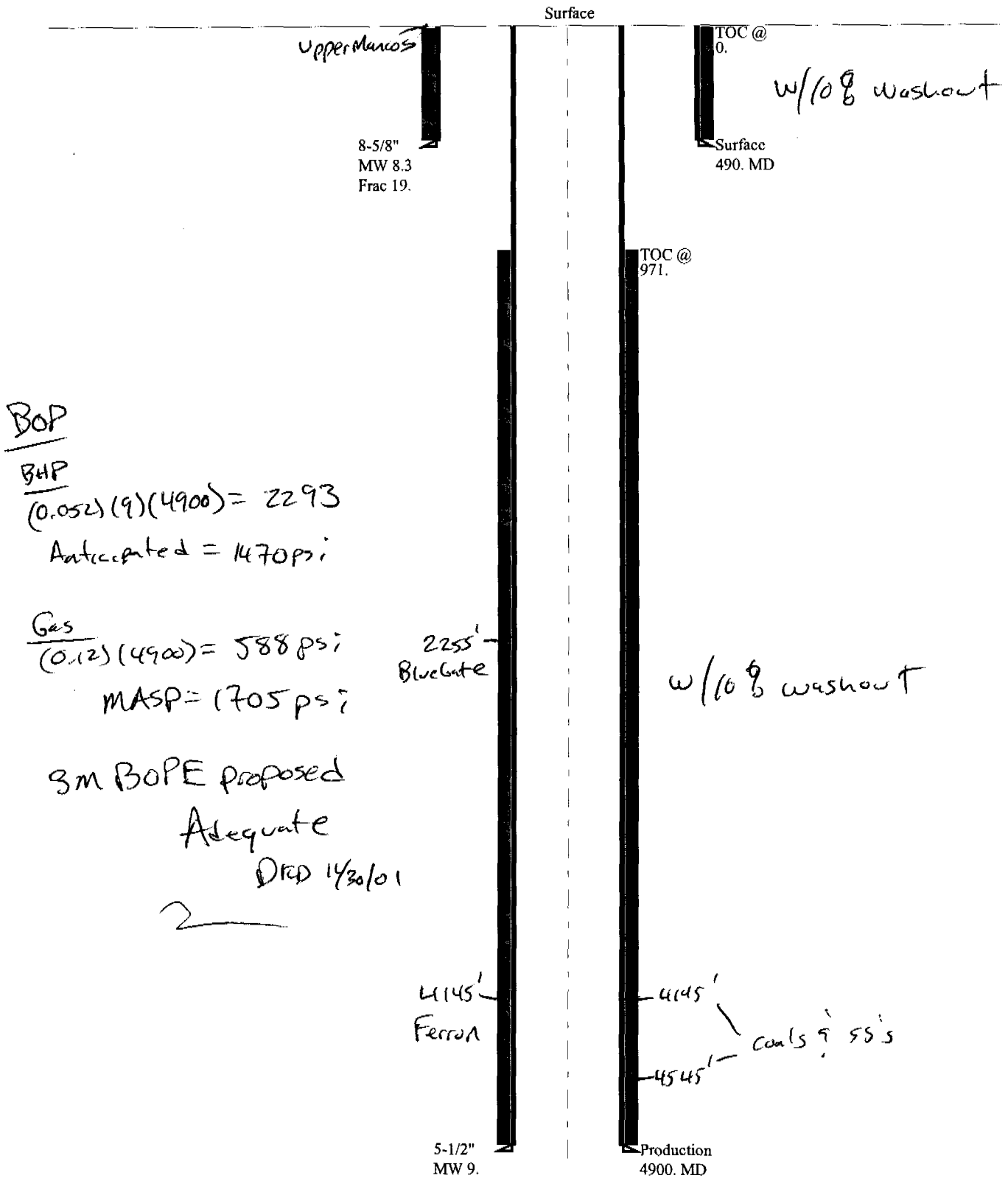
Mud Creek, a year-round live water source is located ~805' West of the above proposed location. Rehabilitation of the site, litter and waste control, preservation of drainage patterns, groundwater and other resources was discussed and agreed on. Any well utilities and gathering systems will follow the roadways.

**Reviewer:** Mark L. Jones **Date:** Nov. 20, 2001

**Conditions of Approval/Application for Permit to Drill:**

1. Culverts sufficient to manage expected runoff, standing and surface water in crossed drainages.
2. Berm location and pit.
3. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
4. Access road built as proposed to stay clear of overhead power line.

Casing Schematic





Well name:

**11-01 Clear Creek LLC Cook 17-2**Operator: **Clear Creek LLC**String type: **Surface**

Project ID:

43-007-30809

Location: **Carbon County****Design parameters:****Collapse**

Mud weight: 8.330 ppg

Design is based on evacuated pipe.

**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 72 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 250 ft

Cement top:

Surface**Burst**

Max anticipated surface pressure:

0 psi

Internal gradient: 0.468 psi/ft

Calculated BHP 229 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

**Re subsequent strings:**

Next setting depth: 5,300 ft

Next mud weight: 9.000 ppg

Next setting BHP: 2,478 psi

Fracture mud wt: 19.000 ppg

Fracture depth: 490 ft

Injection pressure 484 psi

Run	Segment		Nominal		End	True Vert	Measured	Drift	Est.
Seq	Length	Size	Weight	Grade	Finish	Depth	Depth	Diameter	Cost
	(ft)	(in)	(lbs/ft)			(ft)	(ft)	(in)	( )
1	490	8.625	24.00	J-55	ST&C	490	490	7.972	3210

Run	Collapse	Collapse	Collapse	Burst	Burst	Burst	Tension	Tension	Tension
Seq	Load	Strength	Design	Load	Strength	Design	Load	Strength	Design
	(psi)	(psi)	Factor	(psi)	(psi)	Factor	(Kips)	(Kips)	Factor
1	212	1370	6.46	229	2950	12.88	12	244	20.75 J

Prepared by: Dustin Doucet  
Utah Dept. of Natural ResourcesPhone: 801-538-5281  
FAX: 801-359-3940Date: November 30, 2001  
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 490 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:

**11-01 Clear Creek LLC Cook 17-2**Operator: **Clear Creek LLC**String type: **Production**

Project ID:

43-007-30809

Location: **Carbon County****Design parameters:****Collapse**

Mud weight: 9.000 ppg

Design is based on evacuated pipe.

**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 134 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 250 ft

Cement top:

971 ft

**Burst**

Max anticipated surface pressure:

0 psi

Internal gradient: 0.468 psi/ft

Calculated BHP 2,291 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 4,233 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ( )
1	4900	5.5	15.50	J-55	ST&C	4900	4900	4.825	20744

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2291	4040	1.76	2291	4810	2.10	76	202	2.66 J

Prepared by: Dustin Doucet  
Utah Dept. of Natural ResourcesPhone: 801-538-5281  
FAX: 801-359-3940Date: November 30, 2001  
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 4900 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

# Clear Creek, LLC

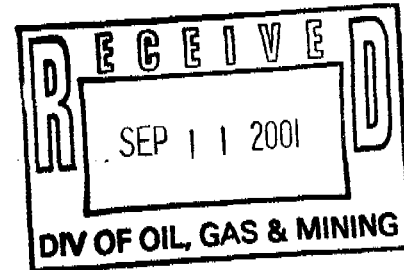
1431 N. 1200 W., Orem, UT 84058 • (801) 225-0600 • FAX (801) 225-0666

September 10, 2001

Ms. Lisha Cordova  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114

VIA FACSIMILE (801)359-3940

RE: APDs for Cook 20-1, Cook 17-2, Cook 21-3



Dear Lisha:

Thank you for notifying me concerning deficiencies in the three APDs filed recently. We will forward the evidence of bonding, the water permit number, and surface use agreements to you as they are completed. The surface owners for the three subject wells are:

WELL	CONTACT	PHONE NUMBER	ADDRESS
Cook 20-1	George Liodakis	(801)569-0863	1411 W. Highland Hollow Dr., W. Jordan
Cook 17-2	George Liodakis	<del>(801)569-0863</del> 733-0541	<del>1411 W. Highland Hollow Dr., W. Jordan</del> 641 800-5700 6204
Cook 21-3	Jim Jacob	(801)226-4403	127 W. 1700 S., Orem

If you have any questions or need additional information, please feel free to contact me. Thanks again for your help

Best regards,

Steven L. Prince  
Petroleum Engineer

# Clear Creek CBM, LLC

1431 N. 1200 W., Orem, UT 84058 • (801) 225-0600 • FAX (801) 225-0666

May 30, 2002

Ms. Lisha Cordova  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114

VIA FACSIMILE (801)359-3940

RE: Additional information for APD - Cook 17-2, NE/SE, Section 17, T13S, R7E, SLB&M,  
Carbon County, Utah

Dear Lisha:

Please find attached: copies of the surface use agreement and the water use agreement for the above referenced well. Please contact me if you have any questions at either (435)613-0416 (office) or (435)636-5002 (mobile).

Best regards,

  
Steven L. Prince  
Petroleum Engineer



**State of Utah**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF WATER RIGHTS

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Robert L. Morgan  
State Engineer

Southern Area  
483 South Carbon Avenue  
PO Box 718  
Price, Utah 84501-0718  
435-637-1303  
435-637-7037 (Fax)

January 4, 2002

Clear Creek LLC  
1431 North 1200 West  
Orem, Utah 84057

Price River Water User's Association  
90 North 100 East #1  
Price, Utah 84501

Dear Applicants:

Re: Temporary Change Application No. 126232 (91-2)  
Expiration Date: January 3, 2003

The above referenced Temporary Change Application is hereby approved. A copy is enclosed for your information and records.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark P. Page'.

Mark P. Page  
Regional Engineer

pc: Bob Davis - Price River Water Commissioner

Enclosures  
MPP/mjk

# APPLICATION FOR TEMPORARY CHANGE OF WATER

## STATE OF UTAH

Rec. by MK Check #3567Fee Paid \$ 75.00

Receipt # \_\_\_\_\_

Microfilmed \_\_\_\_\_

Roll # \_\_\_\_\_

For the purpose of obtaining permission to make a temporary change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-3 Utah Code Annotated 1953, as amended.

\*WATER RIGHT NO. 91 2 \*APPLICATION NO. t26232

Changes are proposed in (check those applicable)

X point of diversion. X place of use. X nature of use. X period of use.

### 1. OWNER INFORMATION

Name: 1) Clear Creek LLC 2) Price River Water User's Association

Address: 1431 North 1200 West 90 North 100 East #1

City: Orem, Utah 84057 Price, Utah 84301

2. \*PRIORITY OF CHANGE: \_\_\_\_\_ \*FILING DATE: January 4, 2002

3. RIGHT EVIDENCED BY: 91-2 Price River Water User's Association

Stock Certificate No. 7435

Prior Approved Temporary Change Applications for this right: \_\_\_\_\_

\*\*\*\*\* HERETOFORE \*\*\*\*\*

4. QUANTITY OF WATER: \_\_\_\_\_ cfs and/or 3.0 ac-ft.

5. SOURCE: Price River

6. COUNTY: Carbon

7. POINT(S) OF DIVERSION: N. 810 ft. & W. 990 ft. from SE Cor. Sec. 10, T12S, R7E, S16E

Description of Diverting Works: Scofield Dam

### 8. POINT(S) OF REDIVERSION

The water has been rediverted from \_\_\_\_\_ at a point: \_\_\_\_\_

Description of Diverting Works: \_\_\_\_\_

### 9. POINT(S) OF RETURN

The amount of water consumed is \_\_\_\_\_ cfs or 3.0 ac-ft.

The amount of water returned is \_\_\_\_\_ cfs or \_\_\_\_\_ ac-ft.

The water has been returned to the natural stream/source at a point(s): \_\_\_\_\_

\*These items are to be completed by the Division of Water Rights.

Temporary Change

**SURFACE USE AGREEMENT**

This Surface Use Agreement ("Agreement") is entered into this 20 day of December, 2001 by and between Clear Creek CBM, LLC ("Operator") and Liodakis Rance, L.L.C. and Nick Marakis Family Trust, ("Surface Owners").

**RECITALS**

A. Operator is the owner of the leasehold interest in the mineral estate on the property described in the attached Exhibit A (the "Property");

B. Surface Owners are the owners of surface rights whose rights are subject to and limited by a lease agreement dated August 6, 1976, between Surface Owners' predecessor in interest and Kanawha and Hocking Coal and Coke Company, and their successors in interest. A copy of the lease and easement agreement has been provided to counsel for Operator and receipt is acknowledged.

C. The parties recognize the dominant nature of the mineral estate under the laws of the State of Utah in which the mineral owner has the right to the use of so much of the surface estate as is reasonably necessary and reasonably convenient to develop and operate drilling, mining and other extraction activities to explore for, mine or produce coal, oil, gas and other minerals from the Property; and

D. The parties desire to provide for a reasonable agreement and accommodation between Operator and Surface Owners in order to allow for orderly development of the mineral estate without unnecessary or unreasonable interference with the surface estate of the Property.

NOW, THEREFORE, for and in consideration of the mutual promises and agreements of the parties hereto, it is hereby agreed as follows:

1. Surface Owners hereby consent to any and all reasonable operations of Operator in the exploration of the mineral estate and in the development and production of the mineral estate, including but not limited to the placement and drilling of oil and gas wells, coalbed methane wells, and any and all related facilities, structures, stockpiles, pipelines, gathering systems, property, equipment, pits and other structures reasonable or necessary, in the reasonable discretion of Operator, for the exploration and development of the mineral estate and the production of oil, gas, coal or coalbed methane from the Property. The consent of Surface Owners herein includes the consent for all operations reasonable or necessary for operator's activities, including but not limited to those described above and consent for the placement of separators and tank battery storage facilities and equipment for operating such wells and to use the Property for the operating, including reworking operations, and producing of such wells. For

the same consideration, Surface Owners do hereby grant and convey unto Operator, its successors and assigns, the right, from time to time, (i) to construct, reconstruct, operate, maintain, repair and remove roads over and across the Property and (ii) to lay, construct, reconstruct, replace, renew, operate, maintain, repair, change the size of, and remove pipes and pipelines for the transportation of oil, petroleum or any of its products, gas, water and other substances, or any thereof, along, over, through, upon, under and across the Property, together with rights of ingress and egress to and from said line or lines for the purposes aforesaid.

2. Operator agrees to consult with surface owner prior to the conducting of any activities described in paragraph 1 and, to the extent reasonably practicable in Operator's discretion, will consider Surface Owner's comments, suggestions, and requests relating to such activities.

3. Specifically in connection with Operator's activities, Operator agrees as follows:

- (a) The Operator agrees to conduct all operations subject to the opportunity of reasonable inspection by the Surface Owners.
- (b) Operator shall conduct operations in a manner that prevents unnecessary impacts and minimizes other impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users.
- (c) Subject to paragraph 4 below Operator shall save and hold Surface Owners harmless from all claims for damage or harm to persons or property directly as a result of its operations. In addition, Operator shall indemnify and hold Surface Owners harmless from all claims by third parties arising out of or as a result of its operations. This obligation includes all costs of suit, including attorneys' fees, incurred by Surface Owners incurred responding to any claims. Operator further agrees to indemnify and hold Surface Owners harmless from liability, damages or costs of suit, including attorneys' fees, arising out of any claims or damage done to Operator's property or operations by any third party.
- (d) Operator shall conduct operations in accordance with all applicable laws and regulations, including the requirements of Utah Admin. Code §§ R649-3-1, *et seq.*, except that with respect to § R649-3-34, the parties hereby stipulate:



- (i) That this Agreement shall serve as the "surface use agreement" described therein for the Property; and
- (ii) That the "well site restoration requirements" established under this Agreement shall be the minimum well site restoration requirements established by the Utah Division of Oil, Gas and Mining pursuant to § R649-3-34.

4. In consideration for entering into this Agreement, and for the stipulations described in paragraph 3(d) above to the effect that this Agreement shall constitute the "surface use agreement" for the property and that the "well site restoration requirements" for the property shall be the minimum established by the Utah Division of Oil, Gas and Mining in accordance with Utah Admin. Code § R649-3-34, Operator hereby agrees to convey to Surface Owner a 2% royalty of gross revenue derived from the Property. As long as Operator meets such minimum, Operator shall have no further liability to Surface Owner relating to the effects on or damage to the surface of the Property resulting from its operations. The consideration paid by Operator is accepted by Surface Owners in full and final satisfaction for all damages and claims for damages to Surface Owner's Property, growing crops, pasturage, and timber resulting from the ordinary activities of Operator.

5. Pursuant to requirements of Carbon County, Operator must provide a gate and cattle guard if so requested by Surface Owners, and Surface Owners agree Operator may widen existing gates and cattle guards to accommodate equipment where needed.

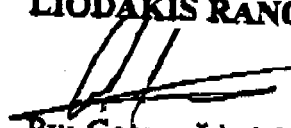
6. This Agreement shall remain in effect for a period of thirty (30) years from the date of its execution.

Executed this 20 day of December, 2001.

**CLEAR CREEK CBM, LLC**

By:   
Its: Manager

**LIODAKIS RANCE, L.L.C**

By:   
Its: President and Manager

**NICK MARAKIS FAMILY TRUST**

*Helen Marakis Liodakis*

**By: Helen Marakis Liodakis**

**Is: Trustee**

\\2109\docs\surface\lwr\agm.doc

## EXHIBIT A.

Township 13 South, Range 6 East, Salt Lake Base & Meridian

- Section 12: All
- Section 13: NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$
- Section 13: Beginning at the Northwest corner of SW $\frac{1}{4}$ SE $\frac{1}{4}$  of
- Section 24: Section 13, thence East to the Northeast corner of SE $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 13, thence South to the intersection of Eccles Canyon Creek with the East Township line; thence Westerly along the center line of Eccles Canyon Creek to the point of beginning.

Township 13 South, Range 7 East, Salt Lake Base & Meridian

- Section 7: W $\frac{1}{4}$ , W $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$
- Section 8: E $\frac{1}{4}$ E $\frac{1}{4}$ , less and except the following described parcel amounting to 2 acres, more or less; Beginning at a point North 237.36 feet from the Southeast corner of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ ; thence North 204.38 feet; thence South 78°07' East 370 feet, more or less, to the West edge of the present Clear-Creek-Scofield Road; thence South 9° West 200.25 feet along the West edge of road; thence North 78°07' West 338 feet, more or less, to the point of beginning. Also less and except a tract of land for highway known as Project No. 0215, situated in the E $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 8 and containing 3.09 acres. Subject to an easement over a tract of land 50 feet wide through the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 8, for the purpose of constructing and maintaining thereon a channel change for Clear Creek.
- Section 9: W $\frac{1}{4}$ SW $\frac{1}{4}$ , excepting, however, the existing right-of-way of Carbon County Railway Company and the right-of-way of the Utah Power and Light Company, a corporation.
- Section 16: W $\frac{1}{4}$ , W $\frac{1}{4}$ E $\frac{1}{4}$ ; subject to an easement over a tract of land containing .18 acres in the NW $\frac{1}{4}$ SW $\frac{1}{4}$  for the purpose of constructing and maintaining thereon a channel change for Clear Creek.

21.9M.

1/24

•Section 17: Beginning at a point where the center line of Eccles Canyon Creek intersects the East boundary line of SE $\frac{1}{4}$ SW $\frac{1}{4}$ , thence North to the Northeast corner of SE $\frac{1}{4}$ SW $\frac{1}{4}$ , thence West to the Northwest corner of SW $\frac{1}{4}$ SW $\frac{1}{4}$ ; thence South to a point where the center line of Eccles Canyon Creek intersects the West boundary of SW $\frac{1}{4}$ SW $\frac{1}{4}$ ; thence Easterly along the center line of Eccles Canyon Creek to beginning. E $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ ; Less beginning at a point 985 feet West of the Northeast corner of said Section 17, thence West 335 feet; thence South 1420 feet; thence East 750 feet to State Road right-of-way; thence North 18°35' West 110 feet; thence North 31°00' West 374 feet; thence North 10°00' West 1020 feet more or less to beginning, containing 16.75 acres. Also, less and excepting a tract of land for highway known as Project No. 0215 situated in the E $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 17, containing 2.88 acres of land.

•Also less and excepting a tract of land for highway known as Project No. 0215 situated in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  and NE $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 17, containing 6.11 acres, more or less.

•Subject to an easement over a tract of land containing .76 acres situated in SE $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 17, for the purpose of constructing and maintaining thereon a channel change for Clear Creek.

•Subject also to an easement over a tract of land containing .76 acres situated in NE $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 17, for the purpose of constructing and maintaining thereon a channel change for Clear Creek.

9297  
•Section 18: NW $\frac{1}{4}$ , N $\frac{1}{4}$ SW $\frac{1}{4}$ ; also, beginning at the point where the East boundary line of SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 18 intersects with the center line of Eccles Canyon Creek and running thence North to the Northeast corner of SE $\frac{1}{4}$ SE $\frac{1}{4}$ , thence West to the Northwest corner of the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 18, thence South to the intersection of the West line of SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 18 with the center line of Eccles Canyon Creek; thence Easterly along the center line of Eccles Canyon Creek to the point of beginning.

1411

- Section 20: Beginning at a point where the center line of  
• Section 21: Broad Canyon Creek intersects with the North  
boundary line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 21,  
thence Westerly along said center line to a  
point where the center line of said creek in-  
tersects with the North boundary line of the  
NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 20, thence East to the point  
of beginning.

Township 14 South, Range 7 East, Salt Lake Base & Meridian

~~Section 4: 6 $\frac{1}{2}$  CW~~

~~Subject to any and all reservations, assessments,  
rights of way, and other encumbrances of record  
pertaining to the above described property.~~

91.917

APR

10



*Lodestar Energy, Inc.*  
*Mountain Operations*  
*White Oak, Horizon, and Grand Valley Mines*  
*HC35 Box 370*  
*Helper, Utah 84526*

**RECEIVED**

JUN 19 2002

DIVISION OF  
OIL, GAS AND MINING

43-007-30809

June 14, 2002

Mr. Gil Hunt  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

Subject: Cook 17-2 Well

Dear Mr. Hunt:

Lodestar Energy, Inc. met June 14th with Mr. Steven Prince of CBM Production Consultants, LLC concerning the Cook 17-2 Well that will be located on our underground coal mining permit C/007/001.

We have reviewed the location of the proposed well and have determined that the proposed location will not affect current nor affect future mining plans with respect to current knowledge of our reserves.

If there are any questions please feel free to contact me at (435) 448-9455.

Sincerely,

David B. Miller  
Business Manager

Xc: Mark Jones – Price DOGM  
Steven Prince – CBM Production Consultants

003



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

July 11, 2002

Clear Creek, LLC  
1431 N 1200 W  
Orem, UT 84058

Re: Cook 17-2 Well, 1886' FSL, 830' FEL, NE SE, Sec. 17, T. 13 South, R. 7 East,  
Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30809.

Sincerely,

A handwritten signature in cursive script, appearing to read 'John R. Baza'.

*for* John R. Baza  
Associate Director

pb

Enclosures

cc: Carbon County Assessor

Operator: Clear Creek, LLC  
Well Name & Number Cook 17-2  
API Number: 43-007-30809  
Lease: Fee

Location: NE SE Sec. 17 T. 13 South R. 7 East

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. Surface cementing shall be cemented to the surface.



**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER \_\_\_\_\_

2. NAME OF OPERATOR:

Clear Creek CBM, LLC

3. ADDRESS OF OPERATOR:

1431 North 1200 West CITY Orem

STATE UT

ZIP 84057

PHONE NUMBER:

(801) 225-0600

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: T13S R1E NE4 SE4 Sec 17

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Extension of Permit to drill</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Currently, no drilling or work of any type is being done on this well.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 09-15-03

By: 

COPY SENT TO OPERATOR

Date: 9-17-03

Initials: CHD

NAME (PLEASE PRINT) Richard C. Bennion

TITLE Member

SIGNATURE 

DATE 7/30/2003

(This space for State use only)

RECEIVED

SEP 03 2003

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-00730809  
**Well Name:** Cook 17-2  
**Location:** Carbon County / Price, Utah  
**Company Permit Issued to:** Clear Creek CBM, LLC  
**Date Original Permit Issued:**

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

  
\_\_\_\_\_  
Signature

9/24/03  
\_\_\_\_\_  
Date

Title: Member

Representing: Clear Creek CBM, LLC

RECEIVED  
SEP 03 2003  
DIV. OF OIL, GAS & MIN.

006

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER \_\_\_\_\_

2. NAME OF OPERATOR:

CLEAR CREEK CBM, LLC

3. ADDRESS OF OPERATOR:

5264 S. 300 W. STE C264 CITY MURRAY

STATE UT ZIP 84107

PHONE NUMBER:

(801) 261-5370

5. LEASE DESIGNATION AND SERIAL NUMBER:

FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

COOK 17-2

9. API NUMBER:

4300730809

10. FIELD AND POOL, OR WILDCAT:

CLEAR CREEK

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1886 FSL &amp; 830 FEL

COUNTY: CARBON

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 13S 7E

STATE:

UTAH

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>EXTEND APD</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

We request an extension to the APD for the referenced well. We are presently evaluating the results of the drilling of the Cook 20-1 well which is located approximately one mile to the south of the referenced well. Attached is an Application for Permit Extension for the referenced well.

Approved by the  
Utah Division of  
Oil, Gas and MiningDate: 11-01-04  
By: [Signature]COPY SENT TO OPERATOR  
Date: 11-01-04  
Initials: CMO

NAME (PLEASE PRINT) X

Glenn F. Cook

TITLE X

Manager

SIGNATURE X

[Signature]

DATE X

Oct-27-04

(This space for State use only)

RECEIVED  
OCT 29 2004  
DIV. OF OIL, GAS & MINING

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4300730809  
**Well Name:**  
**Location:**  
**Company Permit Issued to:**  
**Date Original Permit Issued:**

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

x *Shirley F. Cook*  
Signature

x Oct - 27 - 04  
Date

Title: x Manager

Representing: Clear Creek CBM, LLC

**Clear Creek CBM LLC**  
**Steve & Connie Ault**  
341 N 1100 E  
American Fork, Utah 84003  
Phone 801-756-5788  
Phone 801-787-1212 - Steve Cell  
Phone 801-787-1535 - Connie Cell  
Fax: 801-492-9509

## FAX COVER SHEET

**To: Division of Oil, Gas and Mining**  
**Attention: Dustin Doucet**  
**FAX # 801-359-3940**  
**Phone # 801-538-5277**  
**Date: November 7, 2005**

DOCUMENTS	NUMBER OF PAGES*
Cover Sheet	1
Spud Report	1
Notice of BOP test & drill	1

### COMMENTS:

Dustin,  
Thanks again for your time and assistance last week!

Best Regards,

Steve

\* NOT COUNTING COVER SHEET. IF YOU DO NOT RECEIVE ALL PAGES, PLEASE TELEPHONE US IMMEDIATELY AT : 801-756-5788 or 801-787-1535

RECEIVED

NOV 07 2005

DIV. OF OIL, GAS & MINING

**DIVISION OF OIL, GAS AND MINING****SPUDDING INFORMATION**Name of company:                      **CLEAR CREEK CBM LLC**Well Name: **17-2**Api No: **43-007-30809** Lease Type: **FEE**Section **17** Township **13S** Range **7E** County **CARBON**Drilling Contractor **CC WELL SERVICE LC** Rig#**SPUDDED:**Date: **September 1, 2005**

Time:

How: **ROTARY AIR****Drilling will commence: 11/7/05**Reported by: **STEVEN AULT**Telephone # **801-787-1212**Date: **11/7/05**Signed: **CONNIE AULT****RECEIVED****NOV 07 2005**

DIV. OF OIL, GAS &amp; MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER \_\_\_\_\_

NAME OF OPERATOR: Clear Creek CBM LLC

ADDRESS OF OPERATOR: 341 N. 1100 E. American Fork, UT PHONE NUMBER: 801-787-1212

LOCATION OF WELL Sec 17 T13S R7E S4RM Carbon

LOCATIONS AT SURFACE:

RANGE, SECTION, TOWNSHIP, RANGE, MERIDIAN:

4. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CO AGREEMENT NAME:

8. WELL NAME and NUMBER: 17-2

9. API NUMBER: 4300730809

10. FIELD AND POOL, OR WILDCAT:

COUNTY: Carbon

STATE: Utah UTAH

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
NOTICE OF INTENT (Submit in Duplicate)	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
Approximate date work will start: 11-07-05	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
SUBSEQUENT REPORT (Submit Original Form Only)	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
Date of work completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: BOP Test
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

BOP Test & drill will be performed 11-7-05 at 12:00 Noon.

PLEASE PRINT: Steve Ault TITLE Managing Member  
DATE 11-7-05

6 for State use only

RECEIVED

NOV 07 2005

DIV. OF OIL, GAS & MINING

To: Erlene Russell

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

To be used as  
Form 6

Name of company: CLEAR CREEK CBM LLC N 1920

Well Name: Cook 17-2

Api No: 43-007-30809 Lease Type: FEE

Section 17 Township 13S Range 7E County CARBON NESE

Drilling Contractor CC WELL SERVICE LC Rig#

**SPUDDED:**

Date: September 1, 2005

Time:

How: ROTARY AIR

Proposed = FRSD  
New entity # 15056  
Effective date 11/23/05

**Drilling will commence: 11/7/05**

outside unit boundary  
K

Reported by: STEVEN AULT

Telephone # 801-787-1212

Date: 11/7/05

Signed: CONNIE AULT

RECEIVED  
18 2005  
DIV. OF OIL, GAS & MINING



December 20, 2005

RECEIVED

DEC 27 2005

DIV. OF OIL, GAS & MINING

Mr. Dustin Doucett  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, UT 84114-5801

Dear Dustin,

Please find enclosed current information on 17-2 Clear Creek Well. I apologize for the delay. There are still some logging information forthcoming that I will mail to you as soon as I return to the states. I will be returning from Mexico the first of the year. I am not sure who this information is to be mailed to and I trust that you will be able to get it into the right hands. Also, if you have some time after the first of the year, I would like to meet with you and obtain your opinion on a couple of matters.

I once again apologize for the tardiness of the reports and my lack of experience in these matters. Thanks for all your help...we appreciate it so much. I hope you have a wonderful holiday season.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Ault".

Steve Ault

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

RECEIVED

DEC 27 2005

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER ☐

2. NAME OF OPERATOR:

Clear Creek CBM LLC

3. ADDRESS OF OPERATOR:

341 N. 1100 E

CITY

Am. Fork

STATE

Ut

ZIP

84005

PHONE NUMBER:

801-787-1212

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

1846 FSL 0830 FEL

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

NE SE 5-17 T13S R09E S

STATE:

UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

CO. OF OIL, GAS & MINING

FEF

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Cook 17-2

9. API NUMBER:

43-007-30809

10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ NOTICE OF INTENT  
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:

TYPE OF ACTION

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☐ OTHER:

Monthly drill  
Status Report

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See Attached documents

NAME (PLEASE PRINT)

Steven H Ault

TITLE

Operator

SIGNATURE

Steven H Ault

DATE

12-20-05

(This space for State use only)

December 20, 2005

## 17-2 Monthly Well Status Report

Conductor and surface set by Leon Ross as planned to 521 ft. Encountered no water until 285 ft. at which a small amount was encountered in a sand layer. It was not significant enough to cause any problems with the air drilling. Big 4 performed the cementing and encountered problems with displacement. A bond log was performed by Brand X, of which a copy will be forthcoming. After conferring with DOGM Representatives, it was determined that the cementing was sufficient. BOP was rented from Grayco Supply - Vernal. It was installed on 11/7/05 and tested on 11/9/05. Continuation of drilling was commenced later that day. On-site geology and mud-logging was performed by Columbine Logging (see Columbine Log). All of the water encountered below surface casing was heavy in sulfur content and had a strong sulfur-gas smell. Due to loss circulation at about 950 ft., Air Comp, was contracted to bring in air equipment and began drilling with aireated fluid. Some limited success was achieved, off and on, but posed additional challenges with regulating water returns into the pit. After a problem was encountered with air operator refusing to cut air pressure, which resulted in water overflowing pit and leaving location, Air Comp was released from location. Drilling was resumed blind, but due to complications associated with sub-zero temperatures, the decision was made to again suspend drilling. Drilling depth at this point had reached a total depth of 2075 ft. PSI Logging was contracted to do an open-hole E Log. The first attempt failed at 950 ft. due to a bridge off. Driller tripped in, dislodged the bridge, and tripped out. Again logging was commenced, only to encounter another bridge at 975 ft. Logging attempts were then suspended due to darkness and -17 degree F. temperatures. Driller and geologist believes that the hole may only suffer minor bridge offs until drilling is commenced again. No threats to any clean water supplies exist. No gas has been detected in the casing.

Water is standing in casing at about 100 ft. It appears that we have just reached the very top of the Emery formation, however, no Emery coals were drilled. We are presently working around the weather to accomplish some clean up of location and preparing for the deep snows of winter.

We intend to evaluate successes/failures, make some course corrections, and resume drilling in the spring.



# COLUMBINE LOGGING, INC.

HYDROCARBON ANALYSIS LOG

43-007-30809

COMPANY	NORTHSTAR GAS, LC.,		
WELL	CLEAR CREEK #17-2,		
COUNTY	CARBON COUNTY	STATE	UTAH
LOCATION	NE SE SEC. 17, T. 13S., R. 7E., SLB & M.,		
	KB: 8190'	ELEVATION	GL: 8181'
ENGINEER	H. DWIGHT STREETON, AKA MUNRO		

DATE LOGGED FROM 11-10-2005 TO

DEPTH LOGGED FROM 490' TO

## LEGEND

✓✓✓ ANHYDRITE	▨ DOLOMITE	▩ COAL
XXX ARKOSE	▤ LIMESTONE	▥ SHALE
△△△ CHERT	... SANDSTONE	

DRILLING RATE  
MINUTES PER FT.

DEPTH

LITHOLOGY

OIL  
S  
H  
O  
W

## HYDROCARBON GASES

TOTAL GAS FROM HOT WIRE

## CHROMATOGRAPH ANALYSIS

1 — METHANE	3 — PROPANE	4 — BUTANES
2 — ETHANE	5 — PENTANES	

## ABBREVIATIONS

NB — NEW BIT  
NR — NO RETURNS  
CO — CIRCULATE OUT  
DST — DRILL STEM TEST

## REMARKS

MUD CHARACTERISTICS  
WT - VIS - FILT - CK - PH - CL - OIL

11-10-2005: MON TOR GAS  
& SAMPLES ON TIR, DRILLING  
OF CMT & FLOAT SHOE, AND  
FORMATION STARTING @ 490'

NOTE: ALL SAMPLES WERE CAUGHT BY GEOLOGGER  
WITHOUT ANY USE OF RIG DEPTH RECORD/TOTCO AS  
DEPTH RATE OF PENETRATION MACHINE WAS NOT OPER-  
ABLE; CONSEQUENTLY, ALL SAMPLE DEPTHS ARE AP-  
PROXIMATE AND MAY REQUIRE SOME ADJUSTMENT TO  
CORRELATE WITH RE LOGS

LCM: LOST CIRCULATION MATERIAL  
SMPL: SAMPLE

NSFC: NO STAIN, FLOR OR CUT

BIT #1: HTC NK637, 7 7/8 IN.,  
JETS: 8, SER #: V9232,  
490'-1108', 590'-76' HR.

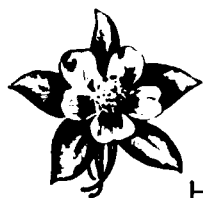
— KD

490'

500'

1 10 100 1000 10000 UNITS

TOTAL GAS - HOTWIRE  
C-1 OR METHANE



# COLUMBINE LOGGING, INC.

HYDROCARBON ANALYSIS LOG

COMPANY NORTHSTAR GAS, LV.,

WELL CLEAR CREEK # 17-2

COUNTY STATE

LOCATION

DATE LOGGED FROM TO

ELEVATION

DEPTH LOGGED FROM TO

ENGINEER

## LEGEND

✓✓✓ ANHYDRITE    ▨ DOLOMITE    ▩ COAL  
XXX ARKOSE    ▤ LIMESTONE    ▬ SHALE  
△△△ CHERT    ... SANDSTONE    ..

DRILLING RATE  
MINUTES PER FT.

DEPTH

LITHOLOGY

PO  
RS  
SH  
OW

## HYDROCARBON GASES

TOTAL GAS FROM HOT WIRE

## CHROMATOGRAPH ANALYSIS

1 — METHANE    3 — PROPANE    4 — BUTANES  
2 — ETHANE    5 — PENTANES

## ABBREVIATIONS

NB — NEW BIT  
NR — NO RETURNS  
CO — CIRCULATE OUT  
DST — DRILL STEM TEST

## REMARKS

MUD CHARACTERISTICS

WT - VIS - FILT - CK - PH - CL - OIL

RPM 68  
WOB 12K  
PP 200

50

600

LOW IN SMPL

LOW IN SMPL

LOW IN SMPL

LOW IN SMPL

SH: LT-MED GRAY, FRM-HARD,  
BLOCKY, SMOOTH-ABRASIVE,  
WAXY-VITREOUS, SL-MOD CALC,  
V SL MICROCARBONACEOUS, SL  
SILTY IN PART (IP)

SILTST: LT-MED GY, MOD HD,  
BLOCKY\*PLATEY, GRITTY, RESIN-  
OUS-VITREOUS, MOD-V. CALC,  
SANDY IP, V. SL CARB, SL ARG-  
IL.

SS: WH-LT GY, VF N-RGR-SL MCR,  
ANG-SBANG, POORLY SRT, EQUID-  
IM., SL FRSTD, WELL CONSOL.,  
GR SUPD, MOD-HVY CMTD W WH-  
CRM CALC & MINOR LT GY SIL,  
PREDOM WH-LT GY QTZ W. TR DK  
GY LITHIOFRAG, SL SILTY IP,  
W. TRC LS DEBRIS, WH, TR BLK  
COAL FRGS IN THE SS, POOR  $\phi$ ,  
LOW PERM (K)



# COLUMBINE LOGGING, INC.

HYDROCARBON ANALYSIS LOG

COMPANY NORTHSTAR GAS, LC.,

WELL CLEAR CREEK #17-2,

COUNTY STATE

LOCATION

ELEVATION

DATE LOGGED FROM

TO

DEPTH LOGGED FROM

TO

ENGINEER

## LEGEND

✓✓✓ ANHYDRITE	DOLOMITE	COAL
XXX ARKOSE	LIMESTONE	SHALE
AAA CHERT	SANDSTONE	

## HYDROCARBON GASES

TOTAL GAS FROM HOT WIRE

## CHROMATOGRAPH ANALYSIS

1 - METHANE 3 - PROPANE 4 - BUTANES  
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## ABBREVIATIONS

NB - NEW BIT  
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DRILLING RATE  
MINUTES PER FT.

DEPTH

LITHOLOGY

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REMARKS  
MUD CHARACTERISTICS  
WT - VIS - FILT - CK - PH - CL - OIL

600'

KD

COAL GAS 7 U.

CG: 6 1/2 U.

COAL GAS: 7 U.

COAL: BLK, SOFT-FIRM, SMOOTH, RESINOUS-VITREOUS, IRREG FRACTURE, BITUMINOUS-SUB BITUMINOUS, NO FYR

LCM IN SMPL

SDST: WH-LT GY-SL M GY, VF - FGR-SL MGR, ANG-SBANG, POORLY SRT, EQUIDIM, SL FRSTD, WELL CONSOLIDATED, GR SUPPORTED, PRED WH-LT

50'

KD

RPM: 62  
WOB: 20K  
PPH: 200

CG 3 1/2 U.

LCM IN SMPL

GY QTZ MOD-HVLY CMTD W CRM-WH CALCITE & TRC M-LT GY SILICA, SL SILTY IP, SL ARGILLACEOUS IP, W LOW POROSITY: TRC-6%, TRC-LOW PERM, NSTN, NF LOR, NCUT, TRC MICRO MUSCOVITE IN SS, TRC LIMESTONE DEBRIS FRAGS IN SS,

11-10-05

11-11-05

KD

CG 3 1/2 U.

LCM IN SMPL

LS: WH-CRM-LT GY, HARD, TRC REWORKED LIMESTONE DEBRIS + SILTST + SS INCLUDED IN THE LS, V CALC, LOW-NO POROSITY, LOW-NO PERMEABILITY, NSF C,

700'

COAL GAS: 9 U., ALL C-1 (METHANE)



# COLUMBINE LOGGING, INC.

HYDROCARBON ANALYSIS LOG

COMPANY	NORTHSTAR GAS, LC.,	
WELL	CLEAR CREEK # 17-2,	
COUNTY	STATE	
LOCATION		
DATE LOGGED FROM	TO	ELEVATION
DEPTH LOGGED FROM	TO	ENGINEER

## LEGEND

✓✓✓ ANHYDRITE	DOLOMITE	COAL
XXX ARKOSE	LIMESTONE	SHALE
AAA CHERT	SANDSTONE	

DRILLING RATE  
MINUTES PER FT.

DEPTH

LITHOLOGY

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## HYDROCARBON GASES

TOTAL GAS FROM HOT WIRE

## CHROMATOGRAPH ANALYSIS

- |             |              |             |
|-------------|--------------|-------------|
| 1 — METHANE | 3 — PROPANE  | 4 — BUTANES |
| 2 — ETHANE  | 5 — PENTANES |             |

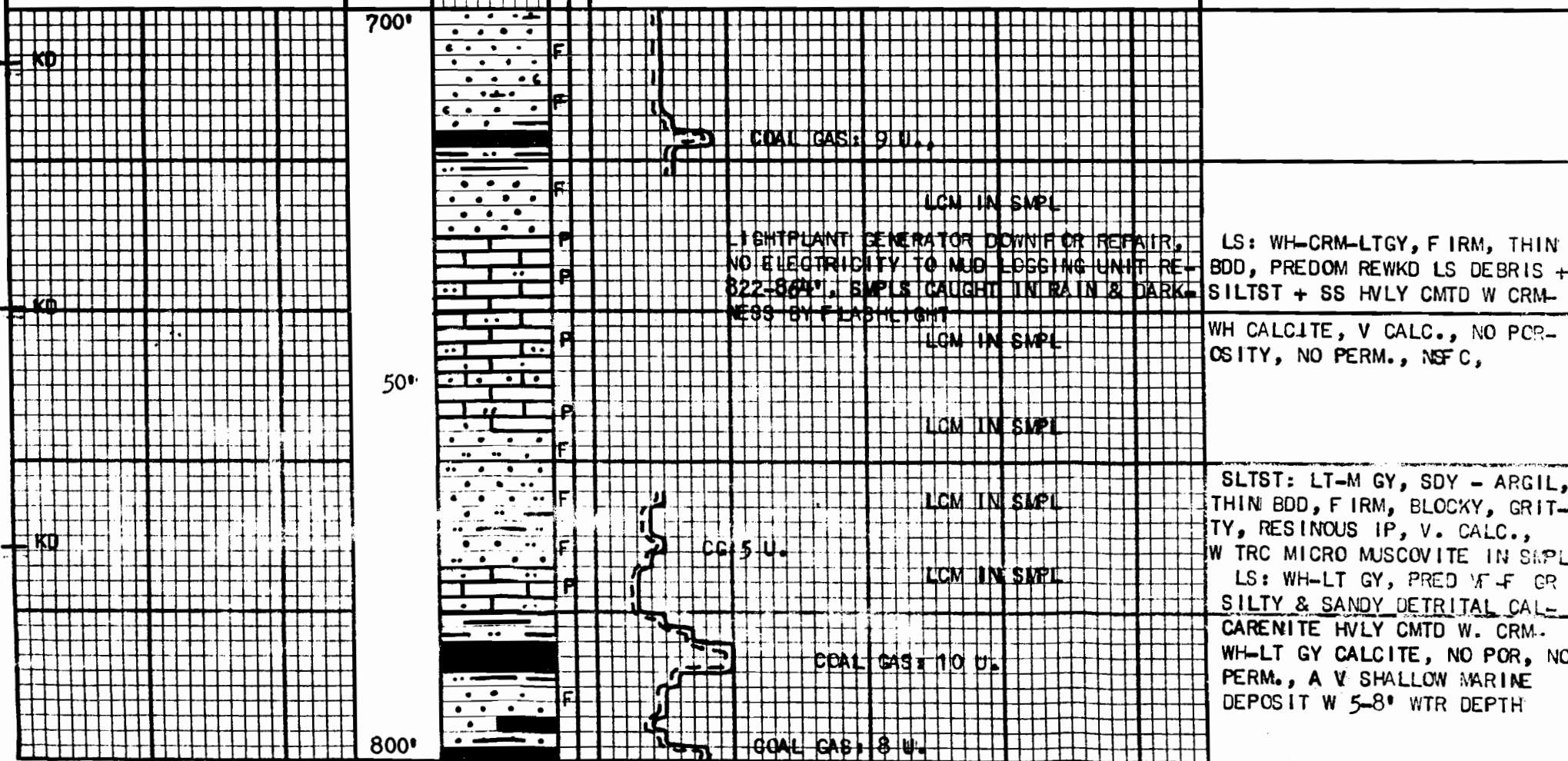
## ABBREVIATIONS

NB — NEW BIT  
NR — NO RETURNS  
CO — CIRCULATE OUT  
DST — DRILL STEM TEST

## REMARKS

MUD CHARACTERISTICS

WT - VIS - FILT - CK - PH - CL - OIL







# COLUMBINE LOGGING, INC.

HYDROCARBON ANALYSIS LOG

COMPANY NORTHSTAR GAS, LC.,

WELL CLEAR CREEK #17-2

COUNTY STATE

LOCATION

ELEVATION

DATE LOGGED FROM

TO

DEPTH LOGGED FROM

TO

ENGINEER

## LEGEND

✓✓✓ ANHYDRITE    ▨ DOLOMITE    ▩ COAL  
XXX ARKOSE    ▤ Limestone    ▨ SHALE  
△△△ CHERT    ••• SANDSTONE    ▨

DRILLING RATE  
MINUTES PER FT.

DEPTH

LITHOLOGY

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## HYDROCARBON GASES

TOTAL GAS FROM HOT WIRE

## CHROMATOGRAPH ANALYSIS

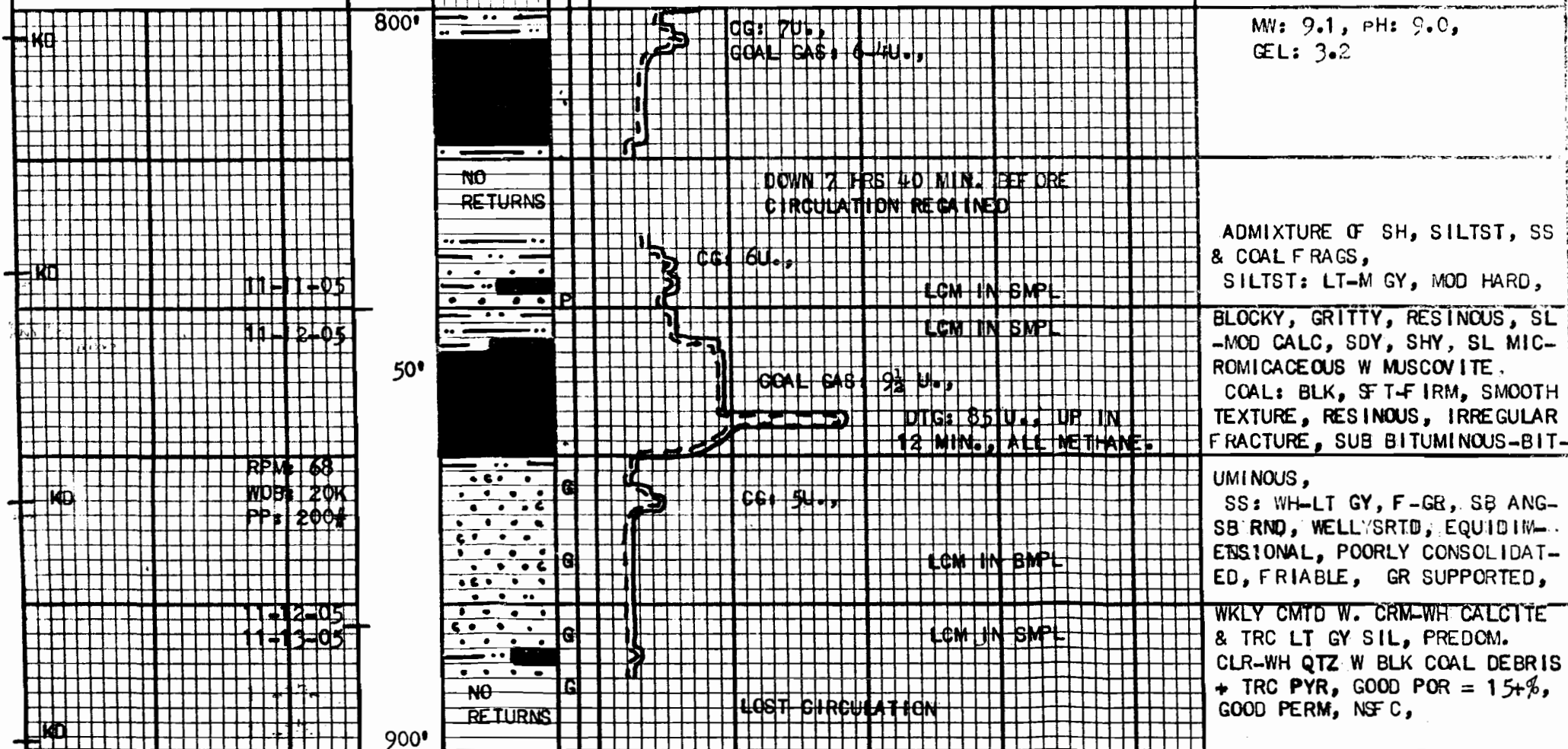
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2 — ETHANE    5 — PENTANES

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NB — NEW BIT  
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CO — CIRCULATE OUT  
DST — DRILL STEM TEST

## REMARKS

MUD CHARACTERISTICS  
WT - VIS - FILT - CK - PH - CL - OIL







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COMPANY NORTHSTAR GAS, LC.,

WELL CLEAR CREEK #17-2

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DATE LOGGED FROM

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TO

ENGINEER

## LEGEND

☒ ANHYDRITE    DOLOMITE    COAL  
☒ ARKOSE    LIMESTONE    SHALE  
☒ CHERT    SANDSTONE   

## HYDROCARBON GASES

TOTAL GAS FROM HOT WIRE

## ABBREVIATIONS

NB - NEW BIT  
 NR - NO RETURNS  
 CO - CIRCULATE OUT  
 DST - DRILL STEM TEST

DRILLING RATE  
MINUTES PER FT.

DEPTH

LITHOLOGY

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## CHROMATOGRAPH ANALYSIS

1 - METHANE    3 - PROPANE    4 - BUTANES  
 2 - ETHANE    5 - PENTANES

## REMARKS

MUD CHARACTERISTICS  
 WT - VIS - FILT - CK - PH - CL - OIL

900'

LITHOLOGY

17 U. ABUND PYR

INTRBD SH, SILTST, SS & COAL,

SH: M-DK GY, FIRM, BLOCKY-PLATEY, GRITTY, VITREOUS, MOD-V. CALC, MOD SILTY, MOD

SDY, SL CARBONACEOUS, SILTST: LT-M GY, FIRM, BLOCKY, GRITTY, RESINOUS, MOD-V CALC., SNDY, ARGIL., TR MICROCARBON, TR MICROMICACEOUS MUSCOVITE, ABUND PYR IP.

50'

LITHOLOGY

LOST RETURNS @ 927'; MIX LCM W  
 WTR & PUMP DOWN HOLE - STILL NO  
 RETURNS, WAIT ON AIR, RIG UP  
 AIR ON 11-18-05, REGAIN RETURNS  
 GG: 30 U.    1:10 AM ON 11-19

SS: WH-LT GY, VF-SL M GR,  
 ANG-SBANG, POORLY SRTO, EQ-  
 UIDIMENSIONAL, WELL CONSOL.,  
 MATRIX SUPD, SL-V. CALC, SL  
 SIL, PREDOM CLR-WH-LT GY QTZ  
 W PYR & TRC MICROCARBON,  
 SILTY, ARGIL., POOR-NO POR.,  
 LOW-NO PERM, NSFC, V PYR, IN  
 900-926' INTRVL,

1000'

LITHOLOGY

25-42 U.

GG: 42 U.

SS: A/A, W TRC - FAIR POROS-  
 ITY RE- 2-10% IN THIN ZONES  
 GAS BEARING W STRG SULPHUR  
 ODOUR



# COLUMBINE LOGGING, INC.

HYDROCARBON ANALYSIS LOG

COMPANY NORTHSTAR GAS, LC.,

WELL CLEAR CREEK # 17-2,

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ENGINEER

## LEGEND

ANHYDRITE    DOLOMITE    COAL  
 ARKOSE    LIMESTONE    SHALE  
 CHERT    SANDSTONE   

## HYDROCARBON GASES

TOTAL GAS FROM HOT WIRE

## CHROMATOGRAPH ANALYSIS

1 — METHANE    3 — PROPANE    4 — BUTANES  
 2 — ETHANE    5 — PENTANES

## ABBREVIATIONS

NB — NEW BIT  
 NR — NO RETURNS  
 CO — CIRCULATE OUT  
 DST — DRILL STEM TEST

DRILLING RATE  
MINUTES PER FT.

DEPTH

LITHOLOGY

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## REMARKS

MUD CHARACTERISTICS

WT - VIS - FILT - CK - PH - CL - OIL

1000'

50'

1100'

RPM: 67  
 WOB: 23K  
 PP: 200#  
 AP: 190#  
 270#  
 CFM: 120-180

BIT #1: HRC MK637, 7 7/8"  
 JET: 1/2, SER #1 V9232  
 490-108W, 590-16W, 25 HR.  
 BIT #2: STC FOT 7 7/8"  
 F15H, SER #1 PA1740,  
 108L

CG: 40 U.

45 U.

60 U.

65 U.

CG: 13 U.

52 U.

TRIP FOR NEW BIT  
 43-47 U. UP  
 IN 12 MINUTES

SS: LT GY-M GY, V-F-SL M  
 GR, ANG-SBANG, MW SRTD, EQI-  
 DIMENSIONAL, WELL-MOD CONSOL-  
 IDATED, MATRIX SUPPORTED,  
 MOD-V CALC, SL SIL, PREDOM  
 CLR-WH-LT GY QTZ W TRC SILVER  
 Y MICRO MUSCOVITE + TRC DET-  
 RITAL BLK COAL DEBRIS, POOR-  
 MOD POROSITY = 2-6%, V LOW -  
 NO PERM, NSFC, MOD CARBONACE-  
 OUS, SL SILTY & ARGIL, W TRC-  
 MOD PYR,

SH INTRBDS: DK GY, FRM, BLOC-  
 KY-PLATEY, GRITTY-SMOOTH,  
 DULL LUSTER, MOD MICROCARB,  
 MOD-V CALC, SL-V SILTY, SL-V

SANDY, SL-MOD PYRITIC,

SS: A/A, BUT W 5-10% POR &  
 POOR-FAIR PERM., W MOD ODOUR  
 OF SOUR GAS W SMELL OF SULP-  
 HUR



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HYDROCARBON ANALYSIS LOG

COMPANY	NORTHSTAR GAS, LC.,
WELL	CLEAR CREEK #117-2
COUNTY	STATE
LOCATION	
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## LEGEND

✓✓✓ ANHYDRITE	DOLOMITE	COAL
XXX ARKOSE	LIMESTONE	SHALE
△△△ CHERT	SANDSTONE	

DRILLING RATE  
MINUTES PER FT.

DEPTH

LITHOLOGY

POROSITY  
SHOW

## HYDROCARBON GASES

TOTAL GAS FROM HOT WIRE

## CHROMATOGRAPH ANALYSIS

1 — METHANE 3 — PROPANE 4 — BUTANES  
2 — ETHANE 5 — PENTANES

## ABBREVIATIONS

NB — NEW BIT  
NR — NO RETURNS  
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DST — DRILL STEM TEST

## REMARKS

MUD CHARACTERISTICS

WT - VIS - FILT - CK - PH - CL - OIL

RPM: 60-82  
WOB: 23-27K  
PP: 200  
AP: 190  
280#  
OH: 160-  
190

1100'

LITHOLOGY

POROSITY

1 — METHANE 3 — PROPANE 4 — BUTANES  
2 — ETHANE 5 — PENTANES

COAL: BLK, FIRM, SMOOTH,  
RESINOUS, IRREGULAR FRACT-  
URE, SUB BITUMINOUS-BITUMIN-

OUS, W TRC PYR  
SS: WH-LT GY, VF-F GR, SB-  
ANG-SBO'D, MOD SRTD, EQUI-  
DIMENSIONAL, POLISHED TEXT-  
POORLY CONSOLIDATED, MATRIX

SUPPORTED, MOD-HVLY CMTD W  
CRM-WH CALCITE, MAINLY CLR-  
WH-LT GY QTZ W TRC AMTS OF  
PYR, TRC AMTS OF MICRO MUS-  
COVITE, W COAL & CARBON FR-  
AGMENTS. W POOR-FAIR-GOOD

POROSITY (2-5; 6-10; 11-15+%),  
W POOR-GOOD PERM (TRC-  
500 MD), NSFC, W INTRBDS &  
LENSES OF SH & SILTST;  
SH: M-DK GY, FRM, PLATEY,  
GRITTY, VITREOUS, PYRITIC,  
SILTST: LT-M GY, FIRM, BLO-  
CKY, GRITTY, RESINOUS, MOD-  
V CALC, SDY, ARGIL,

50'

LITHOLOGY

POROSITY

1 — METHANE 3 — PROPANE 4 — BUTANES  
2 — ETHANE 5 — PENTANES

POROSITY (2-5; 6-10; 11-15+%),  
W POOR-GOOD PERM (TRC-  
500 MD), NSFC, W INTRBDS &  
LENSES OF SH & SILTST;  
SH: M-DK GY, FRM, PLATEY,  
GRITTY, VITREOUS, PYRITIC,  
SILTST: LT-M GY, FIRM, BLO-  
CKY, GRITTY, RESINOUS, MOD-  
V CALC, SDY, ARGIL,

1200'

LITHOLOGY

POROSITY

1 — METHANE 3 — PROPANE 4 — BUTANES  
2 — ETHANE 5 — PENTANES

STG: 42 U. (SHORT TRIP GAS)  
PICKUP KELLY & NOT  
CIRC FOR 1 1/2 HR.



WILLIAMSON

LOG CENTER

HYDROCARBON - HYDROGEN

COMPANY

NORTHSTAR GAS, LC.,

WELL

CLEAR CREEK #17-2

DATE

11-23-05

LOG

11-23-05

WELL NO.

11-23-05

HYDROCARBON GAS

WELL NO.

11-23-05

WELL NO.

11-23-05

WELL NO.

11-23-05

WELL NO.

11-23-05

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DATE LOGGED FROM

11-23-05

11-24-05

RPM: 64-82

WOB: 23-27K

PP: 200+

AP: 280-360+

CFM: 160-200

11-24-05

11-25-05

11-25-05

11-25-05

11-25-05

1200'

50'

1300'

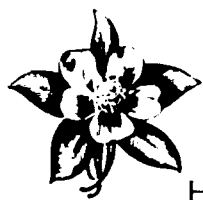
CG: 15 U.

CG: 28 U.

ALL SD SMPLS RE- 1200'-  
1300' HAVE 5%-10% COAL  
IN EA. SMPL, SUGGESTING  
NUMEROUS THIN COAL INTRBDS  
THROUGHOUT THIS INTERVAL

CG: 34 U.

SS: WH-LT GY, VF-F GR, SUB-  
ANG-SUB ROUNDED, MOD WELL-  
WELL SRD, EQUIDIMENSIONAL,  
POORLY CONSOLIDATED-UNCON-  
SOLIDATED IP, MATRIX SUPPORT-  
ED, LIGHTLY CMTD W CRM-WH  
CALCITE, MAINLY CLR-WH QTZ  
+ MINOR-MOD BLK COAL & CAR-  
BON DEBRIS (SOME OF THIS BLK  
DEBRIS IS PROBABLY BEING WORN  
OFF UP-HOLE COAL BEDS BY THE  
175' OF 5 1/2-6 1/4" DRILL COL-  
LARS IMMED. ABOVE THE BIT &  
UNDER THE VARYING INFLUENCES  
AIR PRESSURE, PUMP PRESSURE &  
RPM + WOB), CLEAN-FREE OF  
SILT & ARGIL INFLUENCE, W  
GOOD POROSITY (10-15+%), GOOD  
PERMEABILITY (50+-200+ MD.),  
NSFC,



# COLUMBINE LOGGING, INC.

HYDROCARBON ANALYSIS LOG

COMPANY	NORTHSTAR GAS, LC.,
WELL	CLEAR CREEK #17-2
COUNTY	STATE
LOCATION	
DATE LOGGED FROM	TO
DEPTH LOGGED FROM	TO
ELEVATION	
ENGINEER	

LEGEND		HYDROCARBON GASES		ABBREVIATIONS	
✓✓✓ ANHYDRITE	DOLOMITE	COAL			
XXX ARKOSE	LIMESTONE	SHALE			
△△△ CHERT	SANDSTONE				
DRILLING RATE MINUTES PER FT.	DEPTH	LITHOLOGY	CHROMATOGRAPH ANALYSIS		REMARKS
			TOTAL GAS FROM HOT WIRE ———		MUD CHARACTERISTICS WT - VIS - FILT - CK - PH - CL - OIL
			1 — METHANE 3 — PROPANE 4 — BUTANES 2 — ETHANE 5 — PENTANES		
KB	11-25-05 11-29-05	1300'	CG: 59 U., WAIT ON AIR BOOSTER		SS: WH-LT GY, VF-F GR, SB-ANG-SBROUNDED, MW SRTD, RQ-UIDIMENSIONAL, SL POLISHED, POORLY CONSOLIDATED, MATRIX SUPPORTED IP, SL-MOD CALC., MAINLY CLB-WH-LT GY QTZ W THIN INTRLAMINAE & INTRBDS OF BLK SUB BITUMINOUS - BITUMINOUS COAL & COAL DEBRIS, SL SILTY & ARGIL IP, SMPL W F-G POROSITY (10-15%), G PERMEABILITY (50-200+MD), NSF C, SMPL W 5-10% COAL,
KB	RPM: 52, WOB: 23-27 K?, AP: 175- 200, CFM: 140- 160, PP: 200	50'	CG: 18 U.,		
KB	11-29-05 11-30-05		CG: 17 U.,		
	RPM: 56, WOB: 23-27 K?, PP: 275, AP: 175- 190, CFM: 140- 250	1400'	LAG (BOTTOMS-UP) = 13 MINUTES		SS: A/A, GRADING TO SILTST. W DEPTH, GRAINSIZE DECREAS-ING W DEPTH, ARGIL CONTENT INCREASING W DEPTH





# COLUMBINE LOGGING, INC.

## HYDROCARBON ANALYSIS LOG

COMPANY NORTHSTAR GAS, LC.,

WELL CLEAR CREEK #17-2

COUNTY STATE

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ENGINEER

## LEGEND

✓✓✓ ANHYDRITE    ▨ DOLOMITE    ▩ COAL  
 XXX ARKOSE    ▤ LIMESTONE    ▨ SHALE  
 ΔΔΔ CHERT    ••• SANDSTONE    ▭

## HYDROCARBON GASES

TOTAL GAS FROM HOT WIRE

## CHROMATOGRAPH ANALYSIS

1 — METHANE    3 — PROPANE    4 — BUTANES  
 2 — ETHANE    5 — PENTANES

## ABBREVIATIONS

NB — NEW BIT  
 NR — NO RETURNS  
 CO — CIRCULATE OUT  
 DST — DRILL STEM TEST

DRILLING RATE  
MINUTES PER FT.

DEPTH

LITHOLOGY

POROSITY  
SHOW

## REMARKS

MUD CHARACTERISTICS  
 WT - VIS - FILT - CK - PH - CL - OIL

DEPTH & RATE OF PENETRATION  
RECORDED STILL NOT OPERATIONAL

1400'

P

CG: 17 U.

SMPLS ARE A MIXTURE OF SS,  
SILTST, SH & COAL:

SS: WH-LT GY-MEDIUM GY, WF-  
F GR, SB ANG- SB O'D, POORLY  
SRD, EQUIDIMENSIONAL, SL  
POLISHED, WELL CONSOLIDATED,  
MATRIX SUPPORTED, MOD CALC,  
MAINLY CLR-LT GY QTZ W TRC

DK GY-DK BRN CHERT FRAGS+  
LT-M GY SILTST + DK GY- V  
DK GY SH MOD CMTD W CRM- WH  
CALCITE, POOR POROSITY (0-  
5%), V LOW- LOW PERMEABILITY  
(TRC-10 MD.), NSFC,

SILTST: MED- DK GY, MOD HARD,  
BLOCKY-PLATEY, GRITTY, DULL-  
RESINOUS LUSTER, MOD-V CALC,  
SL SDY & ARGIL IP,  
SH: DK GY-V DK GY, FIRM-

MOD HARD, PLATEY, EARTHY-SL  
GRITTY, EARTHY-DULL LUSTER,  
SL-MOD CARBONACEOUS, SL-MOD  
CALC, SL MICRO BIOTITIC,  
INTRVL W NO PYR

11-29-05  
11-30-05

50'

P

NO SMPLE BELOW THIS DEPTH IN FLOW-  
LINE SMPLE CATCHER, HAVING TO WAIT  
UNTIL KD W 370 PSI OF AIR PRESSURE  
@ 550 CFM BLOWS SMPLE TO SURFACE SO  
GEOLOGER CAN CATCH THE SMPLE W THE  
HEAVY SURG OF WATER SPRAY, AND ANALYZE SAME...

RPMs: 52,  
WGBs: 23-27K?  
PPs: 3757,  
APs: 220-  
3704,  
OF Ms: 40-  
550.

CG: 16 U.

1500'

P

CG: 16 U.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
*Northstargas LC*

3. ADDRESS OF OPERATOR:  
*341N. 1100 E.* CITY *Am Fork* STATE *UT* ZIP *84003* PHONE NUMBER: *801-787-1212*

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

*N 1/4 Sec. 17 Twp 13S R 7E S2B4M*

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

*Cook 17-2*

9. API NUMBER:

*4300730809*

10. FIELD AND POOL, OR WILDCAT:

COUNTY: *Carbon*

STATE: *Utah*  
**UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT  
(Submit in Duplicate)  
Approximate date work will start:

☐ SUBSEQUENT REPORT  
(Submit Original Form Only)  
Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: *Monthly drill Rep.*

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

*Waiting for Snow To Clear, Then we will Continue Drilling.  
Nothing has happened since last months report.*

NAME (PLEASE PRINT) *Steven Hault*

TITLE *Operator*

SIGNATURE *S Hault*

DATE *1-17-06*

(This space for State use only)

RECEIVED

JAN 20 2006

DIV. OF OIL, GAS & MINING

**CONFIDENTIAL**

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Clear Creek CBM, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P O Box 2 CITY Castle Dale STATE UT ZIP 84513		7. UNIT or CO-ASSIGNMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: Carbon		8. WELL NAME and NUMBER: Clear Creek #1-2 Cook 17-2
GTA/GTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NE 1/4 17 136 7E		9. APT NUMBER: 4300730809
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		STATE: UTAH

**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input checked="" type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.**

Clear Creek CBM proposes temporary suspension of drilling activity until spring 2007.

Determinations:

Surface casing depth 520'.

Only fresh water encountered was at 275'.

Cement was successfully returned to near surface & was completed to surface by 1" method.

High sulfur odor water was encountered at 875'.

Present fluid level in well has not been measured due to having cap secured on well. If needed however, cap could be removed.

We are now seeking other potential drillers to complete this well as soon in the spring as possible.

We don't believe original driller will be able to complete this well.

We don't believe this well poses any threat to water quality in the area.

11/16/06  
PM

NAME (PLEASE PRINT) Steven H. Ault	TITLE Managing Member
SIGNATURE <i>Steven H. Ault</i>	DATE 10/30/2006

(This space for State use only)

APPROVED BY THE STATE  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
(5/2000) (See instructions on Reverse Side)  
11/15/06  
D. H. Ault  
\* Approval Thru July 1, 2007

RECEIVED  
NOV 02 2006

DIV. OF OIL, GAS &amp; MINING



**Utah Division of Oil, Gas and Mining**  
**DRILLING OPERATIONS SUSPENDED**

**NOTICE TO OPERATORS:**

**Operator's responsibility is to provide a monthly status report for each well in "Drilling Operations Suspended" status in accordance with Rule R649-3-6.2.4, which states:**

**The operator shall submit a monthly status report for each drilling well on Form 9, Sundry Notices and Reports on Wells. The report should include the well depth and a description of the operations conducted on the well during the month. The report shall be submitted no later than the fifth day of the following calendar month until such time as the well is completed and the well completion report is filed.**

**Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining and may result in the Division pursuing enforcement action as outlined in Rule R649-10. Administrative Procedures and Section 40-6-11 of the Utah Code.**

---

**As of this mailing of this notice, the division has not received the required reports for:**

**Operator:** CLEAR CREEK CBM LLC **Today's Date:** 01/09/2008

<b>Well</b>	<b>API Number</b>	<b>Last Report Received</b>
<b>Kaiser Steel 1 T13S R07E SEC 21</b>	<b>4300730021</b>	<b>03/17/2005</b>
<b>Cook 17-2 T13S R07E SEC 17</b>	<b>4300730809</b>	<b>01/20/2006</b>

**To avoid compliance action, required reports should be mailed within 7 business days to:**

**Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P O Box 145801  
Salt Lake City, Utah 84114-5801**

**If you have questions or concerns regarding this matter, please call (801) 538-5284.**

**cc Well File  
Compliance File**

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**CONFIDENTIAL**

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, re-enter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER <b>Fee</b>
2. NAME OF OPERATOR: <b>Clear Creek CBM, LLC</b>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: <b>P O Box 536</b> CITY <b>Ferron</b> STATE <b>UT</b> ZIP <b>84523</b>		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____		8. WELL NAME and NUMBER: <b>Cook 17-2</b>
5. PHONE NUMBER: <b>(435) 384-2858</b>		9. API NUMBER: <b>4300730809</b>
6. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESE 17 13S 7E</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
COUNTY: <b>Carbon</b>		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>Drilling Operation</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<b>Temporarily Suspended</b>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Drilling operations have been temporarily suspended pending further analysis.  
It is operators intention to re-enter this well and complete during the summer season of 2008.  
Nothing has been done on this well since the last sundry notice we submitted 10/30/2006.  
We will keep current on our monthly well reports.

NAME (PLEASE PRINT) <u>Steven H. Ault</u>	TITLE <u>Managing Member</u>
SIGNATURE <u><i>Steven H. Ault</i></u>	DATE <u>3/10/2008</u>

(This space for State use only)

**RECEIVED**  
**MAR 10 2008**  
DIV. OF OIL, GAS & MINING

**NOTICE OF LATE REPORTING**  
**DRILLING & COMPLETION INFORMATION**

Utah Oil and Gas Conservation General Rule R649-3-6 states that,

- Operators shall submit monthly status reports for each drilling well (including wells where drilling operations have been suspended).

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
  - Form 8, Well Completion or Recompletion Report and Log
  - A copy of electric and radioactivity logs, if run
  - A copy of drillstem test reports,
  - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
  - A copy of core analyses, and lithologic logs or sample descriptions if compiled
  - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

---

As of the mailing of this notice, the division has not received the required reports for

Operator: Clear Creek CBM, LLC

Today's Date: 07/18/2008

Well:

API Number:

Drilling Commenced:

Cook 17-2 13s 7e 17

4300730809

09/01/2005

☐ List Attached

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please contact Rachel Medina  
at (801) 538-5260.

cc: Well File  
Compliance File



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 28, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 5780

Mr. Steve Ault  
Clear Creek CBM, LLC  
P.O. Box 536  
Ferron, UT 84523

43 007 30809  
Cook 17-2  
13S 7E 17

Re: Second Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Ault:

As of July 2008, Clear Creek CBM LLC ("Clear Creek") has three (3) Fee Lease Wells (see attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("DOGM" or "Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

In February 2005 the Division notified Clear Creek by certified mail that it had been approved for extended SI/TA for the Cook 20-1 well (API # 43-007-30808) and the Kaiser Steel #1 well (API # 43-007-30021) until October 1, 2005, to allow time to either plug and abandon the wells or to put the wells into production. The Division also gave extended SI/TA approval for the Cook 17-2 well through July 1, 2007 to allow for Clear Creek to complete and put this well on line. The Division feels more than sufficient time has passed since your company was notified of these matters and we have not seen any resolutions. Please submit your plans to produce or plug these wells to DOGM within 30 days of this notice or further actions will be initiated.



Page 2  
July 28, 2008  
Mr. Ault

For extended SI/TA consideration the operator shall provide the Division with the following:

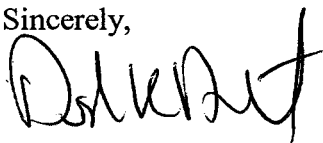
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and Copy of recent casing pressure test, and
2. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
3. Fluid level in the wellbore, and
4. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

JP/js  
cc: Operator Compliance File  
Well File

## ATTACHMENT A

	Well Name	Location	API	Lease Type	Years Inactive
1	Kaiser Steel #1	SENE Sec 21-T13S-R7E	43-007-30021	Fee	6 years 0 months
2	Cook 20-1	SENE Sec 20-T13S-R7E	43-007-30808	Fee	2 years 9 months
3	Cook 17-2	SENE Sec 17-T13S-R7E	43-007-30809	Fee	2 years 8 months

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

**NOTICE OF VIOLATION**  
**STATE OF UTAH**  
**OIL AND GAS CONSERVATION ACT**

\*\*\*\*\*

To the following operator:

Name: Clear Creek CBM LLC

Well(s) or Site(s): 1.) COOK 20-1 API #: 43-007-30808  
2.) COOK 17-2 43-007-30809

Date and Time of Inspection/Violation: January 15, 2009

13S 7E 17

Mailing Address: Attn: Steve Ault  
P.O. BOX 536  
Ferron, UT 84523

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Clear Creek CBM, LLC (Clear Creek) requesting required information. The Cook 20-1 well had a first notice sent out via certified mail on April 16, 2004. A follow-up letter was sent out, dated December 2, 2004 on behalf of a response received from Clear Creek. An extension of SI/TA status was then issued valid until October 1, 2005 to allow time to either plug and abandon the well or place it back into production. The Cook 17-2 well status, reported via sundry notice dated October 30, 2006, stated that it had surface casing set to 520'. Fresh water was encountered at 275' and high sulfur odor water was encountered at 875'. Approval for temporary suspension of drilling was granted until July 1, 2007, to allow time to complete this well. Immediate action is now required due to risk of contamination of fresh water. Having heard no response or seen any work to move these wells into compliance, a second notice was sent via certified mail on July 28, 2008 addressing both Cook 20-1 and Cook 17-2 wells. To date, the required information has not been submitted to the Division nor has action to PA or re-complete the wells been initiated.

Action: For the wells subject to this notice, Clear Creek shall either submit the information required by R649-3-36, plug and abandon or place the well on production.

Clear Creek CBM, LLC


January 15, 2009 Notice of Violation

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: March 15, 2009

Date of Service Mailing: January 29, 2009

CERTIFIED MAIL NO: 7004 2510 0004 1824 6688



Division's Representative

Operator or Representative

(If presented in person)

6/2005

cc: Well file  
Operator Compliance file



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, re-enter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Cook 17-2

9. API NUMBER:

4300730809

10. FIELD AND POOL, OR WILDCAT:

Wildcat

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Clear Creek CBM, LLC

3. ADDRESS OF OPERATOR:

PO Box 536

Ferron

UT

84523

PHONE NUMBER:

(435) 384-2858

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 13S 7E

STATE:

UTAH

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

## TYPE OF SUBMISSION

☐ NOTICE OF INTENT  
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:

## TYPE OF ACTION

☐ ACIDIZE☐ ALTER CASING☐ CASING REPAIR☐ CHANGE TO PREVIOUS PLANS☐ CHANGE TUBING☐ CHANGE WELL NAME☐ CHANGE WELL STATUS☐ COMINGLE PRODUCING FORMATIONS☐ CONVERT WELL TYPE☐ DEEPEN☐ FRACTURE TREAT☐ NEW CONSTRUCTION☐ OPERATOR CHANGE☐ PLUG AND ABANDON☐ PLUG BACK☐ PRODUCTION (START/RESUME)☐ RECLAMATION OF WELL SITE☐ RECOMPLETE - DIFFERENT FORMATION☐ REPERFORATE CURRENT FORMATION☐ SIDETRACK TO REPAIR WELL☐ TEMPORARILY ABANDON☐ TUBING REPAIR☐ VENT OR FLARE☐ WATER DISPOSAL☐ WATER SHUT-OFF☒ OTHER: DOS

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Drilling operations remain temporarily suspended on this well. It is operators intention to re-enter and complete this well sometime in the future.

NAME (PLEASE PRINT) Steven H. Ault

TITLE Project Manager

SIGNATURE

DATE 8/27/2009

(This space for State use only)

(3/2000)

(See instructions on reverse side)

RECEIVED

AUG 27 2009

DIV. OF OIL, GAS &amp; MINING

10: Dustin Doucet

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**CONFIDENTIAL**

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER Fee
2. NAME OF OPERATOR: Clear Creek CBM, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR: PO Box 536 Ferron UT 84523		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE:  QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 13S 7E		8. WELL NAME and NUMBER: Cook 17-2
PHONE NUMBER: (435) 384-2858		9. API NUMBER: 4300730809
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

**CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> (Submit in Duplicate)  Approximate date work will start: <u>11/2/2009</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE/TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> (Submit Original Form Only)  Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Temporary Plug and Abandon</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

RIH w/slickline to determine TD and fluid level.  
Deposit downhole a predetermined amount of Wyoming Bentonite Chip to establish at least 100' plug from TD up.  
RIH w/slickline to determine top of bentonite plug.  
Deposit H2O and bring to surface.  
Monitor and add as necessary to absorb bentonite until stable.  
Above to be witnessed by local DOGM rep.  
Shut-in well for winter.  
In spring, monitor fluid level to determine casing and plug integrity.  
Re-evaluate with DOGM rep, Dustin Doucet

COPY SENT TO OPERATOR

Date: 11.16.2009Initials: KS

NAME (PLEASE PRINT) Connie H. Ault TITLE Registered Agent  
SIGNATURE Connie H. Ault DATE 10/29/2009

(This space for State use only)

**APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING**

DATE: 11/3/09  
BY: [Signature] (See Instructions on Reverse Side)

(5/2000)

201-250-2940

**RECEIVED**

NOV 02 2009

DIV. OF OIL, GAS &amp; MINING

CONFIDENTIAL

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Fee</b>
2. NAME OF OPERATOR: <b>Clear Creek CBM, LLC</b>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 536 CITY <b>Ferron</b> STATE <b>UT</b> ZIP <b>84523</b>		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1886 FSL 0830 FEL</b>		8. WELL NAME and NUMBER: <b>Cook 17-2</b>
PHONE NUMBER: <b>(435) 384-2858</b>		9. API NUMBER: <b>4300730809</b>
10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>		COUNTY: <b>Carbon</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESE 17 13S 7E</b>		STATE: <b>UTAH</b>

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACQIIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>6/1/10</b>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>Temporary plug and suspension of drilling</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

## 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Temporary plugging of well using high-yield bentonite chips (quick-plug) was accomplished as follows:

COPY SENT TO OPERATOR

Date: **6/22/2010**Initials: **KS**

1. Surface casing was set during drilling operations at 521' below surface.
2. Slick line was run and tagged on Nov. 9, 2010 at 654' below surface.
3. Bentonite chips were screened from the surface and trickled in at a rate of 5 minutes per 50 lb sack (as directed by manufacturer). Manufacturer's representation that one sack would yield approximately .672 cf, proved to be very accurate. Thus, one sack filling 1 1/2' of 8 5/8" casing.
4. 140 (50#) sacks of bentonite were used. Slick line tag @ 447' below top of casing.
5. Fluid was not added to surface due to inability of reaching location due to snow.
6. Fluid will be brought to surface within the next 2 weeks and monitored thereafter for seal as was approved.

NAME (PLEASE PRINT) **Steven H Ault**TITLE **Project Manager**SIGNATURE *Steven H Ault*DATE **5/18/2010**

(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS AND MINING  
DATE: **6/15/10**  
BY: *[Signature]*

(5/2000)

(See instructions on Reverse Side)

\* plug should also be tagged to confirm it  
Stayed @ 447'

RECEIVED

MAY 18 2010

DIV. OF OIL, GAS &amp; MINING

10: DUSTIN DAVET

1 page

7/14/10

1:55 pm

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Clear Creek CBM, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 536 Ferron UT 84523		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1886 FSL 0830 FEL		8. WELL NAME and NUMBER: Cook 17-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 13S 7E		9. API NUMBER: 4300730809
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/30/2010	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Temporary plug and suspension of drilling.
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.**

Fluid was brought to surface and monitored.

Appeared stable at surface.

Will monitor every 30 days to insure that fluid level is stable.

Slick line was run last fall and verified 447'...was not witnessed by DOGM.

If necessary we will schedule an appointment with Bart or Mark to witness a tag.

COPY SENT TO OPERATOR

Date: 8.25.2010

Initials: KS

NAME (PLEASE PRINT) Steven H. Ault

TITLE Project Manager

SIGNATURE

DATE 7/14/2010

(This space for State use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining

Date: 8/16/10

By: [Signature]

(See instructions on Reverse Side)

(5/2000)

RECEIVED

JUL 14 2010

901-359-3940 \* Should run slickline again to confirm plug @ same depth.

10: DUSTIN DUNCAN

1 page

7/14/10

1:55 pm

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**CONFIDENTIAL**

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Clear Creek CBM, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 536 Ferron UT 84523		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1886 FSL 0830 FEL		8. WELL NAME and NUMBER: Cook 17-2
5. PHONE NUMBER: (435) 384-2858		9. API NUMBER: 4300730809
6. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 13S 7E		10. FIELD AND POOL, OR WILDCAT: Wildcat

COUNTY: Carbon

STATE: UTAH

**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/30/2010	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Temporary plug and suspension of drilling.
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.**

Fluid was brought to surface and monitored.

Appeared stable at surface.

Will monitor every 30 days to insure that fluid level is stable.

Slick line was run last fall and verified 447'...was not witnessed by DOGM.

If necessary we will schedule an appointment with Bart or Mark to witness a tag.

COPY SENT TO OPERATOR

Date: 8.25.2010

Initials: KS

NAME (PLEASE PRINT) Steven H. Ault

TITLE Project Manager

SIGNATURE

DATE 7/14/2010

(This space for State use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining

Date: 8/16/10

By: Dustin Duncan

(See Instructions on Reverse Side)

(5/2000)

801-359-3940 \* Should run slickline again to confirm plug @ same depth.

**RECEIVED****JUL 14 2010**

DIV. OF OIL, GAS &amp; MINING

To: Dustin Doucet  
(1 page)

11/22/10 12:05 PM

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Clear Creek CBM, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 536 Ferron UT 84523		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE:		8. WELL NAME and NUMBER: Cook 17-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 13S 7E		9. API NUMBER: 4300730809
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Status report of temporary plug</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

## 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Fluid level has been periodically monitored and found to be exactly stable. No fluid has been added since Bentonite plug was placed and fluid level brought to surface. Fluid level has remained at 3 1/4 inches below top of casing. Last observation was on November 8, 2010 (one year after plug was placed) and fluid level remains at 3 1/4 inches below top of casing. We believe Bentonite plug remains at 447' since fluid has only dropped 3 1/4 inches.

RECEIVED  
NOV 22 2010  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Steven H Ault

TITLE Project Manager

SIGNATURE \_\_\_\_\_

DATE 11/15/2010

(This space for State use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
(See Instructions on Reverse Side)  
For Record Only

To: Rachel Medina

1 page

8/16/11 11:40 am

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom hole depth, re-enter plugged wells, or to shift horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒OTHER ☐

2. NAME OF OPERATOR:

Clear Creek CBM, LLC

3. ADDRESS OF OPERATOR:

PO Box 536

Farron

UT

81623

PHONE NUMBER:

(435) 384 2858

5. LEASE DESIGNATION AND SERIAL NUMBER:

Free

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CO-AGREEMENT NAME:

8. WELL NAME and NUMBER:

COOK 17-2

9. API NUMBER:

43-007-30809

10. FIELD AND POOL, OR WILDCAT:

Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 13S 7E

STATE:

UTAH

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 8/6/2011	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Status report of temporary plug
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The fluid level was checked on August 6, 2011. It measures at 3 1/2" below top of casing which would indicate that the Bentonite plug remains at 447" since the fluid level remains at 31 1/2".

RECEIVED  
AUG 16 2011  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Steven H Ault

TITLE Project Manager

SIGNATURE

DATE 8/15/2011

(This space for State use only)

901-359-3940

To: Dustin

2/14/12

1:35 pm

CONFIDENTIAL

FORM 9

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

## 1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER \_\_\_\_\_

## 2. NAME OF OPERATOR:

Clear Creek CBM, LLC

## 3. ADDRESS OF OPERATOR:

PO Box 536

CITY Ferron

STATE UT

ZIP 84523

## PHONE NUMBER:

(801) 756-5788

## 5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

## 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

## 7. UNIT or CA AGREEMENT NAME:

## 8. WELL NAME and NUMBER:

Cook 17-2

## 9. API NUMBER:

4300730809

## 10. FIELD AND POOL, OR WILDCAT:

Wildcat

## 4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1886 FSL 0830 FEL

COUNTY: Carbon

QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 13S 7E

STATE:

UTAH

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

## TYPE OF SUBMISSION

## TYPE OF ACTION

NOTICE OF INTENT  
(Submit in Duplicates)

Approximate date work will start:

2/14/2012

SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:



ACIDIZE



ALTER CASING



CASING REPAIR



CHANGE TO PREVIOUS PLANS



CHANGE TUBING



CHANGE WELL NAME



CHANGE WELL STATUS



COMINGLE PRODUCING FORMATIONS



CONVERT WELL TYPE



DEEPEN



FRACTURE TREAT



NEW CONSTRUCTION



OPERATOR CHANGE



PLUG AND ABANDON



PLUG BACK



PRODUCTION (START/RESUME)



RECLAMATION OF WELL SITE



RECOMPLETE - DIFFERENT FORMATION



REPERFORATE CURRENT FORMATION



SIDETRACK TO REPAIR WELL



TEMPORARILY ABANDON



TUBING REPAIR



VENT OR FLARE



WATER DISPOSAL



WATER SHUT-OFF



OTHER: Status report of temporary plug

## 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Fluid level was checked on November 12, 2011. It still remains constant @ 3 1/2" below top of casing; therefore, we believe that the bentonite plug remains @ 447'.

As soon as weather permits access we intend to remove the tanks sitting adjacent to the road into the site as well as the substructure and mud pump that remain on location.

RECEIVED  
FEB 14 2012  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Steven H Ault

TITLE Project Manager

SIGNATURE *SH Ault*

DATE 2/14/2012

(This space for State use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
For Record Only

(5/2000)

\* Cap on well bore must be secured. Must discuss ultimate plugging of well and pit needs to be reclaimed -  
(See Instructions on Reverse Side)



UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

**NOTICE OF VIOLATION**  
**STATE OF UTAH**  
**OIL AND GAS CONSERVATION ACT**

\*\*\*\*\*

To the following operator:

Name: CLEAR CREEK CBM, LLC

Well(s) or Site(s): 1.) Cook 20-1 API #: 43-007-30808

2.) Cook 17-2 API#: 43-007-30809

13S 7E 20

Date and Time of Inspection/Violation: December 28, 2012

Mailing Address: Attn: Steve Ault

P.O. Box 536

Ferron, UT 84523

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

**Description of Violation(s):**

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3, Bonding - If the division finds that a well subject to this bonding rule is in violation of Rule R649-3- 36., Shut-in and Temporarily Abandoned Wells, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restoration costs.

Rule R649-3-4.4.1. Bonding - Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

The Division has initiated several contacts with Clear Creek CBM, LLC (Clear Creek) requesting required documents and action per R649-3-36. The wells above have previously been issued SI/TA Notices and Notices of Violation without the required work being accomplished or information submitted to bring these wells into compliance.

There has not been any evidence of effort being made to bring these wells out of violation status. These wells are in violation of R-649-3-36. The Division requires Clear Creek to put up full cost bonding for all wells in violation above per R649-3-4. It is also mandatory that Clear Creek submit all documentation as required by R649-3-36 concerning shut-in and temporarily abandoned wells.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

**Immediate Action: For the wells subject to this notice, Clear Creek shall fulfill full cost bonding requirements for each well. Clear Creek shall also submit all information as required by R649-3-36 or plug and abandon or place the wells on production.**

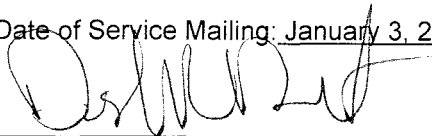
- \* **Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A. 40-6-11, part 4.**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

**Compliance Deadline: February 8, 2013**

Date of Service Mailing: January 3, 2013

Certified Mail No: 7010 1670 0001 4810 3621



Division's Representative

Operator or Representative

(If presented in person)

cc: Compliance File  
Well Files

6/2005

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Clear Creek CBM, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 752 S 500 E CITY Orem STATE UT ZIP 84097		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE:		8. WELL NAME and NUMBER: Cook 17-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 13S 7E		9. API NUMBER: 4300730809
PHONE NUMBER: 801-787-1212		10. FIELD AND POOL, OR WILDCAT: Wildcat

COUNTY: Carbon

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 06/15/2013	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well will be P&A.

A specific downhole plan will be forthcoming.

The surface owner has insisted on being involved in any surface plans. He is presently in Greece until Spring. As soon as he returns and we are able to meet with him, a specific site rehabilitation plan will be submitted.

COPY SENT TO OPERATOR

Date: 4-2-2013

Initials: KS

NAME (PLEASE PRINT) Steven H Ault TITLE Project Manager  
SIGNATURE Steven H Ault DATE 02/26/2013

(This space for State use only)  
APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 3/28/2013  
BY: [Signature]

(See Instructions on Reverse Side)

\* well should be monitored on a regular basis until weather allows work to be done

RECEIVED

FEB 26 2013

DIV. OF OIL, GAS & MINING

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: COOK 17-2	
2. NAME OF OPERATOR: CLEAR CREEK CBM LLC	9. API NUMBER: 43007308090000	
3. ADDRESS OF OPERATOR: 752 s 500 e , Orem, UT, 84097	PHONE NUMBER: 801 787-1212 Ext	9. FIELD and POOL or WILDCAT: UNDESIGNATED
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1886 FSL 0830 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 17 Township: 13.0S Range: 07.0E Meridian: S	COUNTY: CARBON	
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <b>11/6/2013</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input type="text"/>	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The attached is a schematic of the proposed plugging being undertaken as of the time of this writing, and is as per the stipulated agreement with the State of Utah Dated 29 October 2013. See the attached.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: November 07, 2013

By: *Derek Dunt*

NAME (PLEASE PRINT) Connie H. Ault	PHONE NUMBER 801 756-5788	TITLE Registered Agent
SIGNATURE N/A		DATE 11/6/2013



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Sundry Conditions of Approval Well Number 43007308090000**

**Agreement from stipulation:**

1. Clear Creek hereby agrees to plug and abandon the Cook 17-2 well by December 31, 2013. Plugging and abandonment of the Cook 17-2 well shall be performed according to the provisions of Utah Admin. Code R649-3-24 and the following minimum requirements as discussed and approved by Clear Creek and by the Division: An existing bentonite plug is in place from a bridge in open hole at 675' MD to 447' MD. Clear Creek should tag top of bentonite plug to verify it is still in place. If plug top is still at 447' MD, then Clear Creek should set a minimum of 100' (approximately 31 sx of neat cement) on top of bentonite plug to successfully isolate surface casing shoe and sulphur water zones below shoe and fresh water zones above the shoe. Top of cement should be at a minimum of 350' MD. Clear Creek should tag plug to verify top. Clear Creek should then set a minimum 100' (31 sx) plug from 100' back to the surface All annuli should be filled with cement from 100' to surface.
2. Clear Creek hereby agrees that it will reclaim the surface location of the Cook 17-2 well by July 31, 2013. Unless a surface use agreement is established between Clear Creek and the surface owner, surface reclamation shall be performed according to the provisions of Utah Admin. Code R649-3-34 and the following minimum requirements as discussed and approved by Clear Creek and the Division: The pit liner should be removed and the pit reclaimed. All surface equipment, including the substructure, tanks and meter house should be removed. The surface should be reclaimed to original contour and appropriate seeding should take place to bring the well site back to original conditions.

## Current Temporary Abandonment

### Wellbore Schematic Cook 17-2 Sec. 17 T13S R7E Carbon County

Surface Casing 8 5/8"  
K 55 Set to 520 Feet  
Cemented to surface

Fresh Water @ 275,

Casing Shoe @ 520' and  
Bentonite Plug from 654'  
to 447' inside the casing

Mancos Formation

First Coal Zone 604' Minor Gas

Wellbore Collapse @ 654'

Lost Circulation Zone @ 820'

Sulphur Smell In Water  
Zone @ 875'

Total Depth 1,900'

## Proposed Permanent Abandonment

### Wellbore Schematic Cook 17-2 Sec. 17 T13S R7E Carbon County

#### Proposed Permanent Plug

Surface Casing 8 5/8"  
K 55 Set to 520 Feet  
Cemented to surface

100 Foot  
Cement  
Plugs

Fresh Water @ 275,

Casing Shoe @ 520' and  
Bentonite Plug from 654'  
to 447' inside the casing

Mancos Formation

First Coal Zone 604' Minor Gas

Wellbore Collapse @ 654'

Lost Circulation Zone @ 820'

Sulphur Smell In Water  
Zone @ 875'

Total Depth 1,900'

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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3. ADDRESS OF OPERATOR: 752 s 500 e , Orem, UT, 84097	PHONE NUMBER: 801 787-1212 Ext	9. FIELD and POOL or WILDCAT: UNDESIGNATED
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1886 FSL 0830 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 17 Township: 13.0S Range: 07.0E Meridian: S	COUNTY: CARBON	
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input checked="" type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/5/2013			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

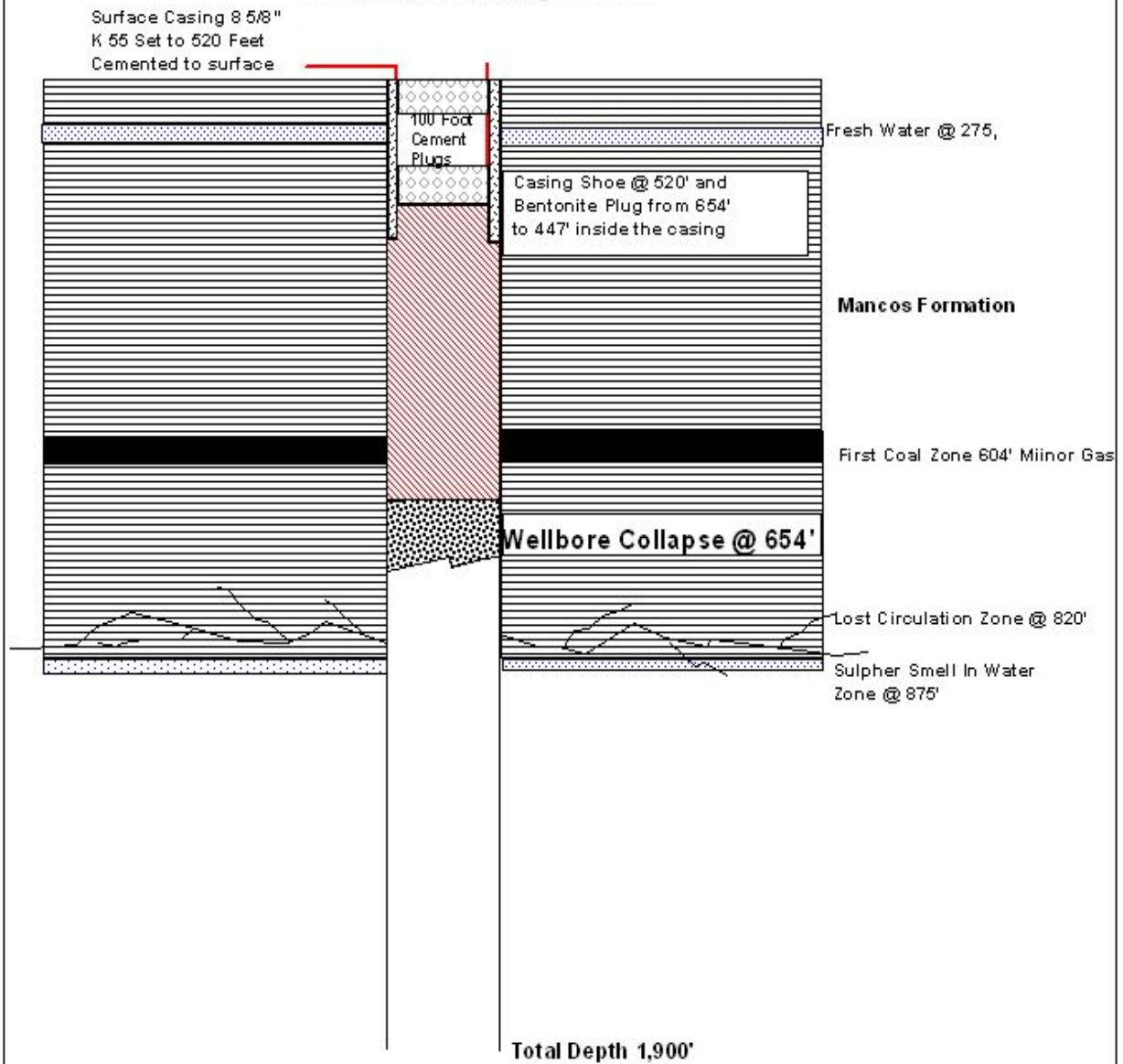
During late November and early December this well was plugged and abandoned as per the Conditions stipulated by the State of Utah. After rigging up it was determined that the Bentonite plug was still in place at 447 feet. a 100 foot cement plug of 31 sx of neat cement was placed above the Bentonite and allowed to cure. The plug was tagged and the second plug consisting of 51 sx of neat cement was place at the surface. The plate was welded on the first week of December. Clear Creek is making a new plate with all the proper information and will notify the State by Sundry when to do a final inspection for Bond Release.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 January 15, 2015

NAME (PLEASE PRINT) Connie H. Ault	PHONE NUMBER 801 756-5788	TITLE Registered Agent
SIGNATURE N/A		DATE 5/30/2014

## As Plugged Schematic of the Cook 2-17 Well

### Wellbore Schematic Cook 17-2 Sec. 17 T13S R7E Carbon County







STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MININGAMENDED REPORT ☐ FORM 8  
(highlight changes)5. LEASE DESIGNATION AND SERIAL NUMBER:  
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:  
COOK 17-29. API NUMBER:  
430073080910. FIELD AND POOL, OR WILDCAT  
UNDESIGNATED11. QTR/QTR, SECTION, TOWNSHIP, RANGE,  
MERIDIAN:  
NESE 17 13S 7E S12. COUNTY  
CARBON13. STATE  
UTAH

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHERb. TYPE OF WORK:  
NEW WELL ☐ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER P & A2. NAME OF OPERATOR:  
CLEAR CREEK CBM LLC3. ADDRESS OF OPERATOR:  
752 S 500 E CITY OREM STATE UT ZIP 84097 PHONE NUMBER: (801) 787-1212

4. LOCATION OF WELL (FOOTAGES)

AT SURFACE: 1886 FSL 0830 FEL

AT TOP PRODUCING INTERVAL REPORTED BELOW:

AT TOTAL DEPTH: 1886 FSL 0830 FEL

14. DATE SPUNDED:  
11/7/2005

15. DATE T.D. REACHED:

16. DATE COMPLETED:  
12/5/2013ABANDONED ☒READY TO PRODUCE ☐

17. ELEVATIONS (DF, RKB, RT, GL):

18. TOTAL DEPTH: MD 1,847  
TVD19. PLUG BACK T.D.: MD  
TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? \*

21. DEPTH BRIDGE MD  
PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

GAMMA RAY CCL  
HYDROCARBON ANALYSIS LOG  
(MAIL MAIL YOUR COPIES)

23.

WAS WELL CORED?

NO ☒YES ☐

(Submit analysis)

WAS DST RUN?

NO ☒YES ☐

(Submit report)

DIRECTIONAL SURVEY?

NO ☒YES ☐

(Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4"	8 5/8" K55	40 LB/FT		524		(G) 300		SUR	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

WAS WELL HYDRAULICALLY FRACTURED? YES ☐ NO ☒

IF YES - DATE FRACTURED:

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS☐ GEOLOGIC REPORT☐ DST REPORT☐ DIRECTIONAL SURVEY☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION☐ CORE ANALYSIS☐ OTHER:

30. WELL STATUS:

P &amp; A



## 31. INITIAL PRODUCTION

## INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

## INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

## INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

## INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

## 32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

## 33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
EMERY	1,847				

## 35. ADDITIONAL REMARKS (Include plugging procedure)


REFER TO EXHIBITS A, B &amp; C

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Steven H Ault

TITLE Managing Member

SIGNATURE



DATE 2/18/2015

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940